

New Jersey

Department of Community Affairs

COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY

ACTION PLAN



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For CDBG-DR Disaster Recovery Funds
Disaster Relief Appropriations Act of 2013
(Public Law 113-2, January 29, 2013)





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This document incorporates three non-substantial amendments to the original Action Plan (approved April 29, 2013).

- Action Plan Amendment #1, submitted July 18, 2013, a non-substantial amendment including:
 - Modified Elevation Requirements (Section 6.2)
 - Clarification to the Selection for the Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program (Section 4.1.1)
 - Revision of Eligible Activity in the Pre-Development Fund for Affordable Rental Housing Program (Section 4.2.3.1)
 - Revision to the Neighborhood and Community Revitalization Program Description of Administering Agency (Section 4.3.3)
 - Clarification to the FEMA Match for Public Assistance Program (Section 4.4.1)

- Action Plan Amendment #2, submitted July 29, 2013, a non-substantial amendment for submission of financial and performance projections (Appendix C)

- Action Plan Amendment #3, submitted September 30, 2013, a non-substantial amendment including:
 - Clarification to Code Enforcement Program Related to Zoning (Section 4.4.3)
 - Clarification of Homeowner Resettlement Program Damage Validation (Section 4.1.2)
 - Update to Government Entities in the Supportive Services Program (Section 4.5.1)
 - Inclusion of Reimbursement in Rental Housing Programs and Economic Revitalization Programs (Sections 4.2 and 4.3)
 - Clarification of Listed Entities in the Neighborhood and Community Revitalization Program (Section 4.3.3)

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Consideration of Public Comments

Certifications Waiver and Alternative Requirement (Certification of proficient controls, processes and procedures has been submitted directly to the appropriate HUD representative)

Standard Form 424 (SF-424)

Appendix A.....Allocation and Method of Distribution

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EXECUTIVE SUMMARY

Superstorm Sandy caused unprecedented damage to New Jersey's housing, business, infrastructure, health, social service and environmental sectors.

Superstorm Sandy caused unprecedented damage to New Jersey's housing, business, infrastructure, health, social service and environmental sectors. Indeed, President Obama's October 30th disaster declaration designated all twenty-one New Jersey counties major disaster areas. Yet storm damage was particularly concentrated in communities bordering or near the Atlantic Ocean or the Hudson River, many of which were flooded by Sandy's storm surge. Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union Counties have been identified by the U.S. Department of Housing and Urban Development (HUD) as New Jersey's most impacted areas.

The breadth of Sandy's impact across New Jersey emphasizes the need for a thoughtful and comprehensive long-term recovery process. This Community Development Block Grant Disaster Recovery Action Plan (Action Plan) is part of that process. It quantifies the level of damage known thus far based on current data and describes New Jersey's plan for spending the \$1,829,520,000 Community Disaster Block Grant Disaster Recovery (CDBG-DR) funds, which HUD allocated to New Jersey as part of its initial \$5,400,000,000 fund allocation. CDBG-DR funds must be used to satisfy "unmet needs," that is, financial needs not satisfied by other public or private funding sources like FEMA Individual Assistance funds, Small Business Administration (SBA) disaster loans or private insurance. HUD also requires that CDBG-DR programs focus predominantly, but not exclusively, on the State's most impacted counties and on the State's low and moderate income (LMI) populations.

Gauging Sandy's impact on New Jersey must begin with an analysis of the State's housing sector. Current data suggest that approximately 40,500 owners' primary residences and over 15,600 rental units sustained "severe" or "major" damage according to classifications made by HUD. Additionally, houses determined to be "substantially damaged" – having damages that exceed 50% of a home's pre-disaster value – must be elevated if they are below the federal Advisory Base Flood Elevation maps. Given the breadth of damage and the number of homes that will be required to be elevated, the costs of repairing owners' primary residences and rental units are expected to be substantial. Also, many households displaced by the storm are seeking intermediate or long-term rental housing at a time when rental housing stock has been significantly depleted because of storm damage. Increased demand and limited supply threaten to raise rental prices. This could particularly impact low and moderate income and special needs populations.

Superstorm Sandy also had a widespread and lasting impact on New Jersey's business sector and particularly affected small businesses. The storm caused substantial damage to commercial property and caused short- and long-term business operations losses. Data suggest that businesses in 113 of New Jersey's 565 municipalities incurred a combined \$382,000,000 in commercial property losses

There is a risk that, absent assistance, local governments will not be able to continue to fund important services for their communities.

and \$63,900,000 in business interruption losses. While most, if not all, New Jersey industries were impacted, the tourism industry has been particularly affected. While some tourism-driven businesses may require significant rebuilding, certain others on the Jersey Shore that were comparatively less affected are expected to suffer under a general misperception that the entire coastline was decimated by Superstorm Sandy. All of these losses also affected the State's labor market, which in the month after the storm saw more than double the historically expected amount of unemployment claims filed.

Further, the State's infrastructure was badly damaged by Superstorm Sandy. Many lasting images of the storm show its impact on infrastructure. Pictures of the Atlantic Ocean inundating portions of State Route 35, a flooded PATH station in Hoboken, and blacked-out New Jersey homes are all illustrative of the substantial damage to New Jersey roadways, railways, utilities and other infrastructure. Perhaps the most lasting image of the storm – a Seaside Heights roller coaster swept into the Atlantic Ocean – illustrates the impact of wet debris, which continues to be removed from New Jersey waterways.

Superstorm Sandy also increased the need for the State and local governments to provide crucial health and social services. After a natural disaster, the need for health and social services is particularly pronounced. Whether this includes assisting special needs households locate appropriate housing, protecting older adults from financial exploitation, or developing programs to help people cope with added stress of recovering from a natural disaster, post-storm health and social service resources must be provided.

Other sectors were also negatively impacted by Superstorm Sandy. For example, the storm had, and continues to have, an adverse impact on New Jersey's environment. Impacts include beach erosion, compromised levees, and debris strewn across natural habitats. Furthermore, many municipalities are facing storm-induced budget shortfalls due to decreased revenues, increased expenses and declining property tax bases. Because of these impacts there is a risk that, absent assistance, local governments will not be able to continue to fund important services for their communities.

To address the extensive devastation caused by the storm in these various sectors, the State proposes in this Action Plan a range of programs to provide relief. With respect to housing, helping primary residents rebuild is a critical priority. For example, one program provides grants up to \$150,000 to eligible homeowners for reconstruction, rehabilitation, elevation, and mitigation efforts for their homes. This program also provides for reimbursement to eligible homeowners that have begun to rebuild. Per HUD requirements, this program is limited to primary residences; vacation homes or non-primary residences are not eligible for CDBG-DR funds. In addition, another program offers grants of \$10,000 to eligible home-owners who are facing significant short-term pressure to sell or abandon their properties to incentivize them to remain as part of the fabric of their communities. Moreover, the State proposes a separate program that provides financial assistance to eligible home buyers to address the increased challenges of obtaining affordable housing subsequent to the storm. The State also proposes a comprehensive group

Economic recovery and revitalization also is a central component of the State's long-term recovery effort.

of programs to alleviate the rental stock shortage caused by the storm by increasing available rental units.

Economic recovery and revitalization also is a central component of the State's long-term recovery effort. Per HUD's guidance, CDBG-DR funds must be directed to assist small businesses. To help those businesses, the State proposes to provide grants and low-cost loans to eligible small businesses to promote recovery, resumption of business and long-term sustainability. The State also proposes programs that will spur economic revitalization by improving public facilities (e.g., streetscapes, lighting, sidewalks) and further assisting businesses. Finally, having received a waiver from HUD, the State proposes using \$25,000,000 of CDBG-DR funds for a tourism marketing campaign to inform tourists that much of the Jersey Shore is open for business in 2013.

While the housing and economic sectors are the focus of the first tranche of CDBG-DR funds, the State also recognizes other important unmet needs. The State proposes to use CDBG-DR funds to assist localities at risk of not being able to fund important services for their communities because of storm-related expenditures. The Action Plan also proposes that funds be allocated to subsidize the local match component of projects funded by FEMA's Public Assistance program, which may include infrastructure and environmental projects. The State also would allocate funds for critical health and social services to better ensure that populations most in need have those services available. And the State proposes to provide funding to assist with code enforcement to better expedite the recovery and rebuilding process. Appendix A to the Action Plan contains charts detailing the funding allocation for each proposed program and how the State will satisfy HUD's requirement that 80% of CDBG-DR funding target the State's most significantly impacted counties as identified by HUD.

This Action Plan merely begins to address New Jersey's substantial unmet needs after Superstorm Sandy. As damage and impact assessment continues and additional tranches of CDBG-DR funding are provided by HUD, the State expects to continue to prioritize programs that focus on unmet needs and offer additional assistance to affected New Jerseyans.

SECTION 1: INTRODUCTION

The State is committed to implementing a thoughtful, comprehensive strategy that expeditiously, efficiently and effectively addresses the State's long-term recovery, rebuilding and revitalization needs.

On October 29, 2012, Superstorm Sandy made landfall near Atlantic City, New Jersey. The storm surge, which measured 8.9 feet at its highpoint in Sandy Hook, inundated and severely affected regions of the State's shore from Cape May to Raritan Bay, including the barrier islands and many areas along the Hudson River. Other overland flooding, wind damage, and an ensuing snowstorm further damaged these communities as well as other communities throughout New Jersey. Superstorm Sandy affected, in some way, virtually every household, business and community in New Jersey.

In the immediate aftermath of the storm, New Jersey quickly embarked on the road to recovery. Millions of cubic yards of debris have been removed from impacted communities. Risks to public health and welfare were addressed. Essential infrastructure, including roadways, railways, and utilities were restored. And countless other steps were undertaken by the State, by local communities and by New Jersey citizens to pick up the pieces with the support of federal agency partners. Short-term response now has given way to focus on long-term recovery and rebuilding. The State is committed to implementing a thoughtful, comprehensive strategy that expeditiously, efficiently and effectively addresses the State's long-term recovery, rebuilding and revitalization needs.

To assist New Jersey's and other disaster-impacted states' recovery efforts, the federal government enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013) (the Act). The Act appropriates monies targeted for disaster recovery to various federal agencies. Among those monies, the federal government appropriated \$16,000,000,000 in Community Development Block Grant Disaster Recovery (CDBG-DR) funds to be split among states that experienced natural disasters in 2011 or 2012, or that experience natural disasters in 2013, which the President declared or declares to be Major Disasters. These CDBG-DR funds are administered by HUD and are to be used to address unmet disaster recovery needs, that is, funding needs not satisfied by other public or private funding sources like FEMA Individual Assistance, SBA Disaster Loans or private insurance. Per an evaluation performed by HUD, New Jersey will receive \$1,829,520,000 of the initial \$5,400,000,000 CDBG-DR fund distribution to assist the State's recovery efforts. Additional allocations are expected to be made at a subsequent date to be determined by HUD. Funds must be spent within two years unless HUD provides an extension.

CDBG-DR funds appropriated in the Act are subject to additional guidance provided by HUD in the Federal Register (FR-5696-N-01). For example, HUD requires that each grantee expend at least 80% of its allocation in the most impacted and distressed counties, which in New Jersey HUD identified to be Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union Counties. Funds only can be used for eligible disaster-related activities unless HUD provides a

This Action Plan was developed after having received considerable input from other State departments and agencies, affected communities and stakeholder groups and with support from federal government partners.

waiver. Moreover, sufficient monitoring protections must be in place to prevent waste, fraud and abuse. And as a precondition to receiving CDBG-DR funds, New Jersey must submit a comprehensive Action Plan that details its unmet needs and describes the proposed uses of CDBG-DR funds to address those needs.

New Jersey Action Plan

Governor Christie has designated the New Jersey Department of Community Affairs (DCA) as the entity responsible to HUD for administering the distribution of CDBG-DR funds for New Jersey. This Action Plan was developed after having received considerable input from other State departments and agencies, affected communities and stakeholder groups and with support from federal government partners.

Section 2 of the Action Plan provides an impact and unmet needs assessment that details many of the impacts of Superstorm Sandy and identifies the State's current projection of unmet need. The unmet needs assessment is based on currently available data and likely will change. The State will continue to refine its unmet needs assessment as more data become available.

Section 3 outlines disaster relief and long-term recovery activities, focusing on the reconstruction and rehabilitation of primary residences and rental properties, assisting small businesses and promoting economic revitalization, and restoring critical infrastructure. Within each area, the State will focus on meeting the needs of low and moderate income populations and the most impacted counties as identified by HUD.

Section 4 sets forth New Jersey's proposed programs. While housing and economic recovery are the leading priorities that will be addressed with the first allocation of CDBG-DR funds from HUD, the State also proposes to allocate CDBG-DR funds to support infrastructure projects, enable municipalities to provide essential services to their communities, address health and social services for individuals in need, and provide code enforcement support to localities.

Section 5 addresses New Jersey's performance schedule for its proposed programs. At this time, it is premature to set out detailed performance metrics. The State will timely amend its Action Plan to describe performance metrics when appropriate.

Section 6 describes other criteria pertaining to New Jersey's use of CDBG-DR funds based on HUD guidance.

Amendments to this Action Plan likely will be necessary at different points throughout the long-term recovery. As additional needs are identified and prioritized and additional CDBG-DR monies are allocated to New Jersey by HUD, new programs may be added or existing programs may be altered in a manner necessitating amendment.

SECTION 2: IMPACT AND UNMET NEEDS ASSESSMENT



2.1 Background

HUD requires the State to complete an unmet needs assessment that quantifies the funding needed for recovery. The assessment is used to determine the extent of unmet needs and to help prioritize among those needs, with a focus on low and moderate income households and the most impacted counties. The assessment must evaluate three core recovery sectors: (1) housing; (2) the economy; and (3) infrastructure. Data sources relied on in this assessment include:

- Federal Emergency Management Agency (FEMA) Individual Assistance (IA) Data
- Federal Emergency Management Agency Inundation Shapefiles
- Federal Emergency Management Agency Public Assistance (PA) Data
- Federal Emergency Management Agency Point Surveys
- Department of Housing and Urban Development (HUD) Comprehensive Housing Affordability Strategy (CHAS) 2012 Data
- InfoUSA Business Records
- Local, Municipal and County Governments
- Marshall and Swift Construction Cost Estimator
- National Atmospheric and Oceanic Administration Data
- New Jersey Board of Public Utilities
- New Jersey Department of Banking and Insurance
- New Jersey Department of Children and Families
- New Jersey Department of Community Affairs
- New Jersey Department of Education
- New Jersey Department of Environmental Protection
- New Jersey Department of Health
- New Jersey Department of Human Services
- New Jersey Department of Labor and Workforce Development
- New Jersey Department of Transportation
- New Jersey Economic Development Authority

- New Jersey Housing Mortgage Finance Agency
- New Jersey Redevelopment Authority
- Rutgers University
- Small Business Administration (SBA) data
- U.S. Census data

2.2 Summary of Impact and Unmet Needs

According to HUD, “unmet needs” are financial resources necessary to recover from a disaster that are not satisfied by other public or private funding sources like FEMA Individual Assistance, SBA Disaster Loans, or private insurance. Per HUD’s guidelines that an unmet needs analysis focus on the housing, economic and infrastructure sectors, Table 2-1 reflects New Jersey’s current unmet needs in these three sectors. The figures reflect the most recent HUD guidance related to determining unmet housing needs. The table, and others below, have been updated to reflect the most recently available FEMA Individual Assistance data as of March 12, 2013. The figures likely will change as more recent, geographically specific, and precise data are compiled and analyzed.

	Need	Funds Disbursed/ Eligible	Unmet Need
Housing	\$4,458,185,055	\$1,953,191,063	\$2,504,993,992
Businesses	\$1,873,278,430	\$145,465,017	\$1,727,813,413
Infrastructure/Community Facilities	\$25,440,800,963	\$10,942,262	\$25,432,594,266
Total	\$31,772,264,448	\$2,109,598,342	\$29,665,401,671
<p><i>Sources: FEMA Individual Assistance and Public Assistance data, SBA claims, insurance claims provided by the New Jersey Department of Banking and Insurance, InfoUSA, NOAA and input from State agencies effective March 12, 2013.</i></p> <p><i>*Note: Infrastructure funds have either been disbursed or are eligible under FEMA Public Assistance. FEMA Public Assistance recipients will likely be required to provide 25% match reflected in the Unmet Need calculation.</i></p>			

Of course, the State’s unmet needs extend far beyond the housing, economic and infrastructure sectors. New Jersey’s recovery effort must focus not only on economic recovery, but also economic revitalization, which is not captured within Table 2-1. New Jersey also must provide critical health and social services to certain populations affected by Superstorm Sandy, protect municipalities from losing critical services as a result of the storm, and address environmental issues. CDBG-DR funds must begin to address these unmet needs as well.

Although the State has an estimated \$25,432,594,266 in unmet infrastructure and community facility needs, there is an urgent need to expand the supply of affordable housing, to stimulate economic activity and to replace housing stock lost to the storm. The State is working diligently with the federal government to expedite additional CDBG-DR funds, which could be used to address unmet infrastructure needs.

2.2.1 Impact on New Jersey Communities

Per HUD guidance, the State has undertaken an analysis below that summarizes storm damage to heavily impacted communities in the nine most impacted New Jersey counties as determined by HUD and provides a description of demographic information about these communities and counties. The data were generated using the 2011 American Community Survey 5-Year Survey data and FEMA Individual Assistance Data (effective March 12, 2013). Additionally, Appendix B of the Action Plan provides a detailed chart summarizing demographic information by census tract in heavily impacted communities.

Atlantic County

As a result of Superstorm Sandy, 9% of the households in Atlantic County had homes that sustained “severe” or “major” damage, as those terms are defined by HUD. According to HUD, “severe” damage is defined as homes FEMA determined to have greater than \$28,800 worth of physical damage or more than four feet of flooding on the first floor, while “major” damage is defined as homes FEMA determined to have between \$8,000 and \$28,799 worth of physical damage or more than one foot of flooding on the first floor. One census tract within Brigantine and one census tract in Atlantic City had more than 50% of households experience major or severe damage, another 12 communities had between 25% and 49% of households experience such damage, and 10 census tracts had between 10% and 24% of households experience such damage.

In Atlantic County, 34% of the residents report a disability and 7% of the households is over age 65 and living alone. Atlantic County also contains a significant number of second homes, including many in heavily damaged communities.

The following table provides demographic information about Atlantic County and these impacted census tracts specifically.

Section 2: Impact and Unmet Needs Assessment

Municipality	Census Tract	% of Households with Major/ Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
ATLANTIC COUNTY		9%	102,573	\$55,222	7%	15%	6%	0%	67%	12%	71%	29%

CENSUS TRACTS WITH DAMAGED HOMES

Atlantic City	34001001300	51%	804	\$38,804	12%	72%	2%	0%	15%	3%	42%	58%
Atlantic City	34001000500	47%	1,036	\$27,090	6%	9%	13%	2%	28%	31%	43%	57%
Atlantic City	34001000100	45%	909	\$36,767	8%	22%	0%	1%	46%	30%	41%	59%
Atlantic City	34001000300	40%	1,388	\$35,525	14%	5%	10%	1%	32%	38%	28%	72%
Atlantic City	34001001200	36%	1,195	\$35,867	13%	82%	1%	0%	0%	13%	45%	55%
Atlantic City	34001002300	29%	774	\$30,407	6%	6%	21%	1%	17%	33%	34%	66%
Atlantic City	34001000200	28%	1,480	\$43,235	20%	5%	6%	0%	64%	10%	66%	34%
Atlantic City	34001001400	23%	1,517	\$26,250	13%	72%	1%	3%	11%	16%	28%	72%
Atlantic City	34001001500	16%	681	\$14,246	31%	61%	6%	1%	15%	17%	12%	88%
Atlantic City	34001002500	14%	1,869	\$26,988	30%	59%	1%	0%	27%	9%	39%	61%
Atlantic City	34001001100	14%	1,184	\$20,129	28%	82%	0%	0%	9%	5%	18%	82%
City of Brigantine	34001010101	61%	1,393	\$84,492	8%	0%	1%	0%	97%	1%	89%	11%
City of Brigantine	34001010102	27%	921	\$55,880	13%	1%	5%	0%	90%	2%	65%	35%
City of Brigantine	34001010104	10%	892	\$61,765	12%	0%	0%	0%	93%	3%	62%	38%
Margate City	34001013102	39%	753	\$57,650	22%	2%	0%	0%	95%	3%	58%	42%
Margate City	34001013101	27%	665	\$74,028	13%	0%	0%	0%	97%	0%	92%	8%
Margate City	34001013000	19%	1,755	\$84,226	19%	1%	0%	0%	94%	4%	80%	20%
City of Pleasantville	34001012000	17%	1,628	\$36,571	16%	41%	1%	0%	29%	17%	65%	35%
City of Pleasantville	34001012100	12%	821	\$49,653	5%	32%	0%	0%	29%	34%	63%	37%
Ventnor City	34001013202	45%	962	\$42,500	13%	6%	2%	0%	80%	11%	56%	44%
Ventnor City	34001013302	39%	1,386	\$48,750	15%	1%	0%	0%	81%	15%	62%	38%
Ventnor City	34001013301	31%	1,200	\$66,917	14%	0%	0%	0%	96%	3%	73%	27%
Ventnor City	34001013201	24%	998	\$54,286	16%	1%	0%	0%	74%	18%	59%	41%
Township of Egg Harbor	34001013500	20%	1,069	\$103,558	12%	0%	0%	0%	99%	0%	93%	7%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

*For this table and other tables in this subsection, the analysis is limited to Census tracts that contain at least 90 homes that sustained severe or major damage from the storm. Additionally, consistent with U.S. Census data, "Hispanic Households" are identified separately from demographic information by race, and Hispanic Households may be of any racial background. Finally, rows identifying information about a county as a whole take into account all communities within the county, not only those identified in the tables.

Bergen County

As a result of Superstorm Sandy, 1% of the households in Bergen County had homes that sustained "severe" or "major" damage. Damage is largely concentrated in communities along the Hackensack River in Little Ferry, Moonachie, and Hackensack. The homes with major or severe damage in Bergen County account for almost 5% of all major and severe damage across the State. The vast majority of damage occurred to owner-occupied homes.

Within Bergen, two census tracts had more than 50% of households experience severe or major damage, and one census tract had between 10% and 24% of households experience such damage.

In Bergen County, 8% of the residents report a disability and 7% of the households is over age 65 and living alone. The following table provides demographic information about Bergen County and these impacted census tracts specifically.

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
BERGEN COUNTY		1%	346,802	\$83,443	7%	6%	12%	0%	67%	14%	66%	34%
CENSUS TRACTS WITH DAMAGED HOMES												
Borough of Little Ferry	34003029200	54%	2,336	\$63,352	8%	1%	11%	1%	62%	20%	53%	47%
Borough of Little Ferry	34003029100	10%	1,888	\$51,796	12%	7%	29%	0%	47%	13%	33%	67%
Borough of Moonachie	34003036200	62%	1,011	\$56,411	7%	2%	4%	0%	78%	14%	80%	20%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Cape May County

As a result of Superstorm Sandy, 5% of the households in Cape May County had homes that sustained “severe” or “major” damage, totaling 2,446 units. Cape May County includes New Jersey’s southern-most coastal communities. More than half of the County’s 98,400 homes are used as seasonal vacation homes. While most homes are seasonal, the year-long residents who reside in these communities and fuel the local economy can largely be described as working families. More than half the households in all of the impacted communities earn less than the State median income. Within Cape May County, four census tracts had between 25% and 49% of households experience severe or major damage, and another four had between 10% and 24% of households experience such damage.

In Cape May County, 13% of the residents report a disability and 10% of the households are over 65 years of age and living alone. The following table provides demographic information about Cape May County and these impacted census tracts specifically.

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
CAPE MAY COUNTY		5%	45,185	\$55,315	10%	4%	0%	0%	91%	4%	74%	26%
CENSUS TRACTS WITH DAMAGED HOMES												
City of Ocean City	34009020206	39%	463	\$71,250	9%	9%	0%	0%	89%	3%	73%	27%
City of Ocean City	34009020101	27%	1,641	\$54,089	16%	9%	0%	1%	87%	3%	54%	46%
City of Ocean City	34009020102	26%	1,275	\$65,160	18%	1%	0%	0%	96%	4%	61%	39%
City of Ocean City	34009020205	26%	637	\$35,542	30%	0%	0%	0%	100%	0%	73%	27%
City of Ocean City	34009020203	19%	1,402	\$54,414	22%	1%	0%	0%	99%	0%	65%	35%
City of Ocean City	34009020201	12%	719	\$89,018	19%	0%	0%	0%	100%	0%	85%	15%
Sea Isle City	34009020800	20%	1,106	\$54,419	10%	0%	0%	0%	94%	3%	71%	29%
City of Wildwood	34009021400	10%	1,982	\$27,778	16%	5%	0%	0%	74%	19%	46%	54%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Essex County

As a result of Superstorm Sandy, less than 1% of the households in Essex County had homes that sustained “severe” or “major” damage, totaling 397 units. While a relatively smaller percentage of units in Essex County experienced severe or major damage, flooding was widespread. In Essex County 3,100 units experienced some level of damage, including 71% owner units and 29% rental units. No census tract in Essex had more than 10% of households with severe or major damage to the units. In Essex County, 10% of the resident report a disability and 4% of the households is over the age of 65 and living alone.

The following table provides demographic information about Essex County.

Municipality	Census Tract	% of Households with Major/ Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
ESSEX COUNTY		0.1%	289,858	\$55,876	4%	40%	4%	0%	39%	16%	48%	52%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Hudson County

As a result of Superstorm Sandy, 2% of the households in Hudson County had homes that sustained “severe” or “major” damage, totaling 4,407 units. Flooding was concentrated in Jersey City, Bayonne, and Hoboken. In these areas, 3,702 units experienced major or severe damage, including 62% to owner units and 38% to rental units. Within Hudson County, nine census tracts had between 10% and 24% of households experience severe or major damage.

In Hudson County, 9% of the residents report a disability and 3% of households is over age 65 and living alone. The following table provides demographic information about Hudson County and these impacted census tracts specifically.

Municipality	Census Tract	% of Households with Major/ Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
HUDSON COUNTY		1.9%	237,272	\$57,660	3%	13%	12%	0%	38%	37%	34%	66%
CENSUS TRACTS WITH DAMAGED HOMES												
City of Bayonne	34017010800	11%	1,230	\$84,958	8%	9%	5%	0%	72%	14%	57%	43%
City of Hoboken	34017018600	13%	1,157	\$92,216	8%	0%	0%	0%	83%	14%	33%	67%
City of Hoboken	34017018900	12%	1,766	\$100,373	7%	1%	1%	0%	85%	9%	24%	76%
City of Hoboken	34017019100	11%	1,902	\$87,813	13%	3%	6%	0%	67%	24%	21%	79%
City of Hoboken	34017019200	10%	1,756	\$185,625	1%	0%	1%	0%	81%	7%	53%	47%
City of Jersey City	34017006900	45%	33	\$158,207	0%	30%	0%	0%	0%	70%	100%	0%
City of Jersey City	34017006500	21%	801	\$63,859	8%	8%	3%	0%	41%	37%	32%	68%
City of Jersey City	34017006400	18%	1,525	\$86,920	6%	6%	12%	0%	56%	19%	27%	73%
City of Jersey City	34017006100	15%	2,317	\$60,147	4%	32%	6%	4%	23%	23%	47%	53%
Town of Harrison	34017013800	15%	640	\$58,611	3%	3%	15%	0%	50%	20%	47%	53%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Middlesex County

As a result of Superstorm Sandy, less than 1% of the households in Middlesex County had homes that sustained “severe” or “major” damage as those terms are defined by HUD, totaling 1,975 units. Flooding occurred along the South River and along the coast facing Staten Island. Within Middlesex County, one census tract in Sayreville had between 25% and 49% of households experience severe or major damage and three census tracts had between 10% and 24% of their households experience major or severe damage in the Borough of Carteret, the Borough of South River, and the Township of Woodbridge.

Eight percent of Middlesex County residents report a disability and 6% of the households are over the age of 65 and living alone. The following table provides demographic information about Middlesex County and these impacted census tracts specifically.

Municipality	Census Tract	% of Households with Major/ Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
MIDDLESEX COUNTY		0.7%	290,321	\$78,622	6%	10%	17%	0%	57%	15%	67%	33%
CENSUS TRACTS WITH DAMAGED HOMES												
Borough of Carteret	34023003600	10%	2,257	\$58,818	8%	10%	7%	0%	44%	32%	52%	48%
Borough of Sayreville	34023007101	25%	1,287	\$112,517	12%	6%	0%	0%	62%	17%	93%	7%
Borough of South River	34023006900	12%	1,082	\$47,538	10%	5%	0%	0%	72%	23%	62%	38%
Township of Woodbridge	34023002901	10%	1,127	\$79,896	6%	9%	7%	1%	60%	19%	74%	26%
Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013												

Monmouth County

As a result of Superstorm Sandy, 5% of the households in Monmouth County had homes that sustained “severe” or “major” damage, totaling 11,467 units. Monmouth County represents 20% of all major and severe housing damage in the State. A large percentage of the housing units in Keansburg, Highlands, Union Beach, and Sea Bright sustained major and severe damage. Of these communities, Long Branch, Keansburg and Union Beach have significant lower income populations. Within Monmouth County, three census tracts had more than 50% of households experience severe or major damage, nine census tracts had between 25% and 49% of households experience such damage, and six census tracts had between 10% and 24% of households experience such damage.

Seven percent of Monmouth County’s households are over 65 years of age and living alone and 9% of households report a disability. The following table provides demographic information about Monmouth County and these impacted census tracts specifically.

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
MONMOUTH COUNTY		5.0%	231,068	\$83,842	7%	7%	4%	0%	81%	7%	76%	24%
CENSUS TRACTS WITH DAMAGED HOMES												
Borough of Avon-by-the-Sea	34025808300	17%	952	\$78,500	19%	0%	0%	0%	97%	3%	65%	35%
Borough of Belmar	34025808401	34%	1,135	\$64,375	19%	1%	0%	0%	85%	13%	43%	57%
Borough of Belmar	34025808402	20%	1,487	\$58,505	10%	3%	2%	0%	77%	15%	49%	51%
Borough of Highlands	34025800100	40%	2,455	\$78,860	8%	1%	0%	0%	93%	4%	73%	27%
Borough of Kearsburg	34025801600	24%	2,150	\$35,982	15%	3%	0%	0%	86%	9%	60%	40%
Borough of Lake Como	34025809000	11%	809	\$76,991	8%	7%	1%	0%	80%	9%	60%	40%
Borough of Manasquan	34025809302	69%	1,243	\$93,229	12%	0%	0%	0%	99%	1%	75%	25%
Borough of Monmouth Beach	34025804100	42%	1,619	\$82,188	13%	1%	0%	0%	95%	1%	82%	18%
Borough of Oceanport	34025805300	25%	2,012	\$88,732	13%	1%	0%	0%	95%	0%	88%	12%
Borough of Rumson	34025803800	28%	990	\$219,500	7%	0%	0%	0%	98%	1%	93%	7%
Borough of Rumson	34025803900	10%	1,285	\$112,656	3%	0%	0%	0%	98%	2%	89%	11%
Borough of Union Beach	34025801800	67%	2,102	\$65,654	7%	2%	0%	1%	91%	6%	83%	17%
Borough of Union Beach	34025801700	47%	1,772	\$52,804	6%	7%	0%	0%	76%	15%	51%	49%
City of Long Branch	34025805400	40%	1,718	\$63,974	13%	19%	1%	0%	67%	10%	63%	37%
City of Long Branch	34025805500	25%	1,320	\$49,802	3%	33%	3%	0%	48%	17%	44%	56%
Township of Middletown	34025812100	95%	769	\$77,950	7%	3%	1%	0%	81%	9%	58%	42%
Township of Middletown	34025800500	42%	1,482	\$106,250	4%	1%	1%	0%	86%	10%	88%	12%
Township of Middletown	34025800601	12%	1,865	\$76,817	7%	3%	0%	0%	89%	5%	85%	15%
Township of Neptune	34025808001	13%	1,827	\$89,479	11%	1%	0%	0%	96%	2%	97%	3%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Ocean County

As a result of Superstorm Sandy, 10% of the households in Ocean County had homes that sustained “severe” or “major” damage. As a community with a large number of vacant second homes, Ocean County’s year-round residents include lower-income persons and retirees who will have challenges in the recovery. Within Ocean County, 15 census tracts had more than 50% of households experience severe or major damage, 10 census tracts had between 25% and 49% of households experience such damage, and 10 census tracts had between 10% and 24% of households experience such damage.

Fourteen percent of Ocean County’s year round population is 65 years or older and 32% of those individuals has a disability. The following table provides demographic information about Ocean County and these impacted census tracts specifically.

Section 2: Impact and Unmet Needs Assessment

Municipality	Census Tract	% of Households with Major/ Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
OCEAN COUNTY		10.3%	216,386	\$60,712	14%	3%	1%	0%	90%	5%	82%	18%
CENSUS TRACTS WITH DAMAGED HOMES												
Borough of Lavallette	34029727001	85%	980	\$61,667	23%	0%	0%	0%	100%	0%	84%	16%
Borough of Mantoloking	34029712000	68%	714	\$101,136	21%	0%	0%	0%	99%	0%	88%	12%
Borough of Ocean Gate	34029729000	55%	714	\$65,625	12%	4%	0%	0%	92%	4%	73%	27%
Borough of Point Pleasant	34029711400	35%	2,335	\$87,487	11%	0%	0%	0%	97%	2%	89%	11%
Borough of Point Pleasant Beach	34029710100	45%	2,150	\$61,476	15%	0%	0%	0%	96%	3%	56%	44%
Borough of Seaside Park	34029728000	65%	2,799	\$41,230	12%	2%	0%	0%	91%	6%	52%	48%
Borough of Ship Bottom	34029739000	52%	1,287	\$60,341	16%	0%	0%	0%	97%	2%	81%	19%
Borough of South Toms River	34029724000	11%	1,081	\$61,055	4%	20%	0%	0%	64%	15%	79%	21%
Borough of Tuckerton	34029737000	30%	1,316	\$56,577	14%	0%	2%	1%	95%	2%	69%	31%
Township of Berkeley	34029731002	32%	1,448	\$68,550	9%	0%	0%	0%	92%	8%	90%	10%
Township of Berkeley	34029731001	28%	1,388	\$78,472	10%	1%	0%	0%	96%	3%	95%	5%
Township of Brick	34029714400	96%	352	\$66,944	26%	0%	0%	0%	98%	2%	100%	0%
Township of Brick	34029714300	66%	1,354	\$88,393	8%	1%	0%	0%	99%	1%	95%	5%
Township of Brick	34029713700	33%	1,091	\$108,946	12%	0%	0%	0%	99%	1%	89%	11%
Township of Brick	34029714200	28%	2,451	\$74,122	4%	5%	0%	0%	87%	6%	79%	21%
Township of Brick	34029713800	22%	1,378	\$90,714	8%	1%	0%	0%	97%	1%	84%	16%
Township of Brick	34029714100	12%	1,586	\$47,021	35%	0%	0%	0%	98%	1%	97%	3%
Township of Eagleswood	34029736002	15%	612	\$64,457	10%	1%	1%	0%	94%	2%	88%	12%
Township of Lacey	34029732103	22%	1,082	\$70,714	11%	0%	0%	0%	96%	4%	94%	6%
Township of Lacey	34029732104	18%	1,616	\$72,438	8%	1%	0%	0%	95%	3%	88%	12%
Township of Lacey	34029732101	13%	2,328	\$77,190	12%	0%	0%	0%	95%	5%	92%	8%
Township of Little Egg Harbor	34029736105	90%	1,801	\$52,163	11%	0%	0%	0%	93%	4%	85%	15%
Township of Long Beach	34029738001	86%	986	\$85,515	13%	0%	0%	0%	98%	1%	93%	7%
Township of Long Beach	34029738002	62%	795	\$69,836	16%	0%	0%	1%	97%	1%	81%	19%
Township of Long Beach	34029738100	22%	864	\$103,021	18%	0%	0%	0%	97%	1%	96%	4%
Township of Ocean	34029733000	10%	3,305	\$73,917	8%	1%	0%	0%	96%	2%	89%	11%
Township of Stafford	34029735103	68%	2,345	\$67,583	11%	1%	0%	0%	93%	6%	86%	14%
Township of Toms River	34029727002	113%	731	\$57,614	26%	0%	0%	0%	98%	2%	88%	12%
Township of Toms River	34029722500	80%	757	\$64,485	27%	0%	0%	0%	99%	1%	92%	8%
Township of Toms River	34029723400	72%	1,385	\$78,694	9%	0%	0%	0%	94%	6%	92%	8%
Township of Toms River	34029722402	65%	1,495	\$86,402	6%	0%	0%	0%	94%	4%	89%	11%
Township of Toms River	34029722401	47%	1,978	\$75,132	8%	0%	1%	0%	93%	4%	83%	17%
Township of Toms River	34029723500	31%	1,111	\$63,386	10%	3%	2%	0%	92%	1%	75%	25%
Township of Toms River	34029722600	25%	1,165	\$71,144	12%	1%	0%	0%	90%	8%	89%	11%
Township of Toms River	34029723600	14%	899	\$71,831	5%	2%	1%	0%	95%	1%	79%	21%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Union County

As a result of Superstorm Sandy, less than 1% of the households in Union County had homes that sustained “severe” or “major” damage, totaling 643 units, but minor damage was common. In total, 2,998 units experienced some level of damage, including 80% owner units and 20% rental units. Within Union County, one census tract in the City of Linden had between 10% and 24% of households experience major or severe damage.

In Union County, 9% of the residents report a disability and 6% of the households are over age 65 and living alone. The following table provides demographic information about Union County and these impacted census tract specifically.

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Median HH Income	% Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% Owner-Occupied Households	% Renter Occupied Households
UNION COUNTY		0.4%	166,761	\$68,688	6%	22%	4%	0%	51%	22%	60%	40%
CENSUS TRACTS WITH DAMAGED HOMES												
City of Linden	34039035400	12%	954	\$57,727	15%	11%	3%	0%	69%	16%	63%	37%

Source: US Census American Community Survey, 2006-2011 Averages and FEMA Individual Assistance Records as of March 12, 2013

Information provided in the preceding analyses will be used to ensure that funds are targeted where damage occurred. In addition, the State is in the process of standing up centers in each of the most impacted counties to assist communities with the recovery effort. Demographic information referenced above is being used for, among other things, assessing language barriers and case management needs to be accounted for in standing up these centers to maximize the benefit to impacted New Jerseyans.

2.3 Housing

Superstorm Sandy significantly impacted New Jersey’s housing sector. Using the methodology outlined in HUD’s Federal Register Notice (FR-5696-N-01) of FEMA Individual Assistance data effective March 12, 2013, approximately 40,500 owners’ primary residences and 15,600 renter-occupied homes sustained “severe” or “major” physical damage. Stated differently, of residences (excluding second homes per HUD requirements) that sustained severe or major damage as a result of Superstorm Sandy, owner-occupied primary residences comprise 72% of the universe and renter-occupied units comprise 28% of that universe. Current data also indicate that 25,794 total residences sustained “minor” damage (19,505 owner-occupied properties and 6,289 rental units).

Table 2-2 describes housing damage by severity among FEMA Individual Assistance applicants who occupied homes in Coastal Zone A, Coastal Zone V, or other areas, while Table 2-3 reflects the estimated extent of damage to

	Minor	Major	Severe	Total
Owned	19,505	28,946	11,520	59,971
Rented	6,289	12,544	3,067	21,900
Total	25,794	41,490	14,587	81,871

Source: FEMA Individual Assistance Data, effective March 12, 2013

Table 2-3 Damage Categories by FEMA Full Verified Loss (FVL) Designations

Category	Owner		Renter	
	Reported FVL	Flood Depth	Reported FVL	Flood Depth
Minor	\$1 - \$7,999	0' - 1'	\$1 - \$1,999	0' - 1'
Major	\$8,000 - \$28,799	1' - 4'	\$2,000 - \$7,499	1' - 4'
Severe	\$28,800+	4' +	\$7,500+	4' +

Source: HUD and FEMA Individual Assistance Data, effective March 12, 2013

a housing unit using HUD's "minor," "major," and "severe" damage categorizations.

The State also has tracked the number of letters from flood-plain managers formally identifying properties as "substantially damaged," where repair costs exceed 50% of the structure's pre-disaster value. As of March 8, 2013, 2,995 such letters have been

issued. Based on discussions with floodplain managers, more than 18,000 homes are estimated to be "substantially damaged," though this figure is preliminary and is expected to increase significantly as verification of housing damages continues.

The location of FEMA Individual Assistance registrants with reported housing damage also may reflect the extent and concentration of damage to New Jersey's housing stock. Based on the FEMA Individual Assistance data as of March 12, 2013, the greatest concentrations of severe or major housing damage are located in Atlantic (16%), Bergen (5%), Cape May (4%), Essex (1%), Hudson (8%), Middlesex (4%), Monmouth (20%), Ocean (40%) and Union (1%) Counties. These nine counties account for 98% of reported major and severe housing damage in New Jersey. Table 2-4 reflects homes with reported severe or major housing damage by county.

These figures merely scratch the surface in examining the extent of damage Superstorm Sandy visited on New Jersey's housing stock. To more fully address the extent of that impact, it is necessary to examine the storm's impact on homeowners, rental stock, displaced populations, New Jersey's low and moderate income population and the most vulnerable households.

2.3.1 Impact on Homeowners

Homeowners throughout New Jersey were significantly affected by Superstorm Sandy. Based on data reflected in Table 2-5, 59,971 owners' primary residences sustained some amount of physical damage. Of this number, 40,466 homes sustained severe or major damage.

FEMA, in order to promote stronger, safer rebuilding, published Advisory Base Flood Elevation maps (ABFEs) for the State of New Jersey, which advise a significant expansion of New Jersey's 100-year floodplain. Data suggest that more than 33,000 residential structures that were not in the floodplain under the current FEMA Base Flood Elevation maps are now within the floodplain under the newly released ABFEs (Table 2-6). FEMA had been remapping the floodplain along New Jersey's coastline for two years when Sandy hit. The ABFEs were established as the best available data because FEMA's current, formally adopted maps are outdated and do not accurately reflect flood risk. It may take FEMA 18 to 24 months before the final updated maps are formally adopted through the federal regulatory process.

Homeowners whose homes are determined to be "substantially damaged," by a floodplain manager must rebuild to FEMA's ABFEs. Many of these homeowners likely will be required to elevate their homes. Without financial support, the added costs of housing elevations likely will be overly burdensome. Homeowners of

Table 2-4 Housing Stock with Flood Damage as a Result of Superstorm Sandy

County	Total Housing Units with Major/Severe Damage
OCEAN	22,240
MONMOUTH	11,467
ATLANTIC	8,744
HUDSON	4,407
BERGEN	2,848
MIDDLESEX	1,975
CAPE MAY	2,446
UNION	643
ESSEX	397
CAMDEN	100
SALEM	172
SOMERSET	73
CUMBERLAND	144
BURLINGTON	138
MERCER	35
PASSAIC	36
MORRIS	71
GLOUCESTER	45
SUSSEX	50
WARREN	25
HUNTERDON	19
Missing County Data	2
Total	56,077

Source: FEMA Individual Assistance Data effective March 12, 2013

Table 2-5 Owner Occupied Homes Damaged from Superstorm Sandy

Income Level	Amount of Damage			
	Minor	Major	Severe	Total
Less than 80% Area Median Income	9,592	11,516	4,278	25,386
NFIP Zone A	1,444	7,438	2,500	11,382
NFIP Zone V	221	2,820	1,457	4,498
*All Other Zones	7,927	1,258	321	9,506
80% - 120% Area Median Income	4,165	6,715	2,773	13,653
NFIP Zone A	762	4,491	1,700	6,953
NFIP Zone V	149	1,664	894	2,707
*All Other Zones	3,254	560	179	3,993
Greater than 120% Area Median Income	3,855	8,266	3,505	15,626
NFIP Zone A	916	5,474	2,197	8,587
NFIP Zone V	185	2,146	1,045	3,376
*All Other Zones	2,754	646	263	3,663
No Income Data	1,893	2,449	964	5,306
NFIP Zone A	306	1,598	556	2,460
NFIP Zone V	74	610	330	1,014
*All Other Zones	1,513	241	78	1,832
All Homeowners	19,505	28,946	11,520	59,971

Source: FEMA Individual Assistance Data effective March 12, 2013 and FEMA ABFE maps
**Includes areas not yet determined by FEMA under ABFE*

structures that were not “substantially damaged” by Sandy may not be facing mandatory elevation requirements in the short term, but may face significant increases in insurance premiums if they do not elevate their houses in compliance with the final maps adopted by FEMA over the next two years.

Compounding the importance of housing elevation assistance, federal legislation passed in 2012 removes insurance subsidies and bases premiums on actual flood risk which likely will significantly increase flood insurance costs for homeowners residing within a floodplain. Therefore, housing elevation assistance is a critical need for many of these homeowners in order to avoid pricing them out of their current residences.

Based on available data, as well as input from federal and state departments and agencies, local communities, stakeholder groups and citizens, New Jersey’s owner-occupied housing needs include:

- Assisting homeowners with the reconstruction or rehabilitation of their homes;
- Assisting homeowners in Sandy-impacted communities who are now required to elevate their “substantially damaged” homes to meet ABFEs;
- Providing case management and technical assistance to help homeowners navigate the rebuilding and reconstruction process;
- Providing interim assistance to Sandy-impacted homeowners to encourage them to resettle and reoccupy homes they owned prior to the storm; and
- Providing buyout assistance where appropriate for homeowners residing in flood-prone areas where large scale buyouts would serve a public health and safety benefit, as well as an environmental benefit.

Table 2-6 Structures that Moved into a Floodplain Designation with Recent ABFE

	Total Units
Structures within 100-year flood plain pre-ABFEs	234,448
Structures within 100-year flood plain with new ABFE guidelines	267,944

Source: FEMA HAZUS Multi-Hazard version 2.1

Table 2-7 Renters with Housing Damage by Severity

Income Level	Amount of Damage			
	Minor	Major	Severe	Total
Less than 80% Area Median Income	5,230	9,435	2,147	16,812
NFIP Zone A	1,882	6,433	1,335	9,650
NFIP Zone V	334	2,000	520	2,854
*All Other Zones	3,014	1,002	292	4,308
80% - 120% Area Median Income	366	1,347	393	2,106
NFIP Zone A	202	931	262	1,395
NFIP Zone V	42	323	86	451
*All Other Zones	122	93	45	260
Greater than 120% Area Median Income	200	788	282	1,270
NFIP Zone A	115	557	213	885
NFIP Zone V	35	187	54	276
*All Other Zones	50	44	15	109
No Income Data	493	974	245	1,712
NFIP Zone A	197	647	164	1,008
NFIP Zone V	37	209	56	302
*All Other Zones	259	118	25	402
All Renters	6,289	12,544	3,067	21,900
<i>Source: FEMA Individual Assistance data effective March 12, 2013 and FEMA ABFE maps</i> <i>*Includes areas not yet determined by FEMA under ABFE</i>				

2.3.2 Impact on Rental Stock

Based on current data, approximately 27% of all housing damage occurred to rental stock, equivalent to 21,900 units, with 15,611 rental units sustaining severe or major damage. Table 2-7 reflects damage to New Jersey rental housing stock by severity of damage.

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 rental stock as virtually non-existent. In Hudson and Monmouth Counties, for example, planning departments reported vacancy rates below 1%.

According to FEMA data, approximately 44,000 Sandy-displaced households were receiving rental assistance after the storm. Even presuming that some of these Sandy-displaced households have found a rental unit, it is probable that many remain “doubled up,” that is, living with friends or relatives.

Superstorm Sandy also had a significant impact on housing that is subsidized by both the state and federal governments, which includes public housing as well as housing financed primarily for older adults and Housing Choice Voucher (HCV) recipients. According to preliminary estimates

effective mid-February 2013, 2,188 federally subsidized units in 192 multi-family properties were damaged, and 53 households remain displaced. These properties are predominately located in Atlantic City, Flanders, Hoboken, Jersey City, New Brunswick, Ocean City, and Port Monmouth. Eight-hundred and twenty-four public housing units were damaged in the storm, and 100 public housing households remain displaced. Atlantic City suffered the greatest concentration of damage to federally owned housing, with 84 impacted units that housed 250-300 residents. Additionally, 740 HCV recipient households were displaced by Superstorm Sandy, and only 310 of those households have returned to their former home.

To better understand the impact to Public Housing Authorities (PHAs), the Department of Community Affairs distributed impact assessments to public housing agencies across the State to quantify the extent of damage sustained by PHAs as a result of the storm, as well as identify PHAs’ ongoing unmet recovery and rebuilding needs. As of April 5, 2013, 18 housing authorities responded to the assessment. Results from these impact assessments can be summarized as follows:

- Six PHAs identified a need to rebuild residential units or community facilities. PHAs reported damage to non-residential facilities and equipment, including community centers, day care facilities, computer labs and maintenance structures.

- Nearly all PHAs reported roof damage from high winds as well as extensive and prolonged power outages. Many also experienced minor to moderate flooding.
- Many PHAs identified resilience and mitigation needs, such as a need for back-up generators or a need to relocate critical infrastructure (e.g., boilers, hot water heaters, and electrical panels). Two PHAs, Carteret Housing Authority and Ocean City Housing Authority, reported a need to elevate buildings or otherwise mitigate against future disaster events.

The State will continue to assess impacts on PHAs, including the unmet needs not otherwise covered by insurance or FEMA.

Damage to PHAs impact some of the most vulnerable households in New Jersey. Almost all of the damaged units are public housing units, serving households earning less than 80% of the area median income, and several damaged units had been set aside to house older adults.

With increased demand for rental units from Sandy-displaced households coupled with a diminished supply as a result of storm damage, rental 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. According to HUD CHAS 2012 data, at least 42% of all renter households are cost burdened, meaning that households pay for housing in excess of 30% of their income, with a significant percentage of those households paying more than half of their income towards monthly housing costs. Any increase in rental costs would further exacerbate that strain. Among the “working poor,” defined as households earning less than 50% of Area Median Income, the impact of increased rents is more significant. According to HUD CHAS data, 50.5% of “work- ing poor” households are already severely cost burdened, and rent increases could threaten to price these households out of the rental market. Even for households in need that might be able to afford available rental units, the post-storm New Jersey rental market has limited ability to absorb those households.

Based on available data, as well as input from federal and state departments and agencies, local communities, stakeholder groups and citizens, New Jersey’s rental housing needs include:

- Rental programs to assist currently displaced low and moderate income households;
- Rental programs to repair or replace damaged rental units, particularly those that service low and moderate income households; and
- Rental programs that address the unique needs of New Jersey’s special needs populations.

2.3.3 The Transitional Sheltering Assistance Program

On November 3, 2012, FEMA activated the Transitional Sheltering Assistance (TSA) Program to provide temporary housing for households displaced by the storm and living in shelters. In total, the TSA Program has served more than 5,500 New

Jersey households. As of March 1, 2013, 717 households were enrolled in the TSA Program post storm.

Because the TSA Program provides only temporary assistance, households must find more permanent housing before the TSA Program expires. The State has been working diligently with federal agency partners to find more permanent housing solutions for these households. The limited availability of rental stock after the storm has made this challenging, however. Households in the TSA Program that are of extremely low income or that have special needs are particularly difficult to place in more permanent situations because of the limited availability of housing that accommodates their needs.

2.3.4 Impact on Low and Moderate Income Populations

Superstorm Sandy's impact on low and moderate income (LMI) households in New Jersey was particularly pronounced. Of FEMA Individual Assistance applicants who have reported major or severe damage to their homes, 49% are low and moderate income, equaling almost 30,000 households. Seventy-four percent of renters with reported damage to their homes were low and moderate income households, equaling 11,582 households.

While low and moderate income households throughout the State were affected by the storm, the most impacted LMI households generally are found within the nine most impacted counties. Table 2-8 reflects the total housing units in the most impacted counties and the percentage of impacted households with severe or major damage that are low income. Appendix B to this Action Plan provides a map series illustrating Low and Moderate Income Census Tracts overlaid with storm damage by county.

Table 2-8 Percentage of Housing Stock with Major to Severe Damage

County	Total Housing Units	Housing Units with Major/Severe Damage as a Percentage of all Housing Units	Households with Major/Severe Damage that are Low and Moderate Income as a Percentage of all Major/Severe Damage
Ocean	275,793	8.1%	45.2%
Atlantic	125,826	6.9%	61.8%
Monmouth	256,504	4.5%	45.4%
Cape May	98,394	2.5%	46.9%
Hudson	264,844	1.7%	35.5%
Bergen	351,122	0.8%	55.9%
Middlesex	292,495	0.7%	60.4%
Union	198,668	0.3%	63.0%
Essex	311,738	0.1%	71.3%
Total	2,175,384	2.5%	48.7%

Sources: American Community Survey, 2006-2010 5-Year Averages, HUD CHAS 2012 data, and FEMA Individual Assistance Data effective March 12, 2013.

2.3.5 Impact on Special Needs Populations

Households with special needs are oftentimes more vulnerable to natural disasters due to damaged or displaced support networks, accessibility issues or increased costs of living. Special needs populations displaced by Superstorm Sandy include adults, children, and youth who are homeless or at risk of homelessness, who have intellectual or developmental disabilities, who have physical disabilities or who have behavioral health needs. Certain populations of older adults also may face specialized challenges after a natural disaster.

2.3.5.1 Homeless Households

Damage caused by Superstorm Sandy drastically limited housing options available for New Jersey's homeless population. For example, according to New Jersey's Department of Human Services, 400 motel units along the barrier islands that might be used to accommodate homeless populations remain unavailable because of storm damage. A 31+ bed homeless shelter in Monmouth County also remains closed. The lack of available facilities as a result of storm damage has put substantial pressure on operational facilities. For example, an Atlantic City homeless shelter reported an overcapacity of over 100 people.

In addition to the impact on available housing options for homeless households, Superstorm Sandy demonstrated basic equipment failures in some facilities that serve the homeless. According to shelter operators, some shelters lost power during the storm. Some could not generate heat. Others lost phone service.

The current statistics from the Homeless Management Information System (HMIS) show a 12% increase, or slightly greater than 4,200 in total individuals in the All Agency Homeless Programs report, in the three months following Superstorm Sandy versus from same period the previous year on a statewide basis. However, within the nine most impacted counties, six counties were at the same level as the previous year or saw a decline. The primary increases were experienced in Atlantic, Hudson and Ocean. The system is still being evaluated to determine the impact of FEMA post-disaster funding. The State agencies continue to assess the needs, particularly with the view to facilitating those who have been displaced post-Sandy and getting them back to permanency.

2.3.5.2 Older Adults

According to FEMA Individual Assistance data dated February 27, 2013, Superstorm Sandy impacted more than 38,000 older adult households, the majority of whom are homeowners. Based on past experience from other disasters, New Jersey recognizes that certain older adult households may face special challenges after a natural disaster. Initially, new building code requirements may require that many older adults elevate their homes. Elevating properties may result in accessibility issues that must be addressed to accommodate a household's needs. Additionally, older adult populations may be at a greater risk of financial exploitation following a disaster.

2.3.5.3 Individuals with Mobility Impairments

New Jersey's Department of Human Services, Division of Disability Services (DDS) has identified ramping and other accessibility measures that may have to be undertaken in conjunction with housing elevations to ensure that certain properties can continue to serve the needs of individuals with physical disabilities. Additionally, retrofitting a newly elevated house with a ramp or lift will place additional financial burdens on households needing this accommodation.

2.3.5.4 Households with Individuals Having Developmental or Intellectual Disabilities or Behavioral Health Needs

A number of homes that house individuals with developmental or intellectual disabilities or with behavioral health needs were damaged or displaced during Superstorm Sandy. For example, a boarding house which served 50 individuals

from this population sustained significant damage during the storm. Damage from the storm has made it difficult for some displaced households with individuals having developmental or intellectual disabilities or behavioral health needs to find accommodating housing.

Section 2.3.6 Analysis of Unmet Housing Need

To estimate the unmet housing need in New Jersey, the State must first use available data to quantify the cost to repair damage to the housing sector caused by the storm as well as the costs to perform required housing elevations. The State then must add together amounts received from other funding sources like FEMA Individual Assistance, SBA disaster loans, and private insurance to quantify funding that has been provided for repairs to the housing sector. Subtracting the latter figure from the former arrives at New Jersey's current estimate of its unmet housing need. This estimate likely will change when the extent of housing damage becomes more precisely measurable.

FEMA Individual Assistance data as of February 27, 2013 reports a Full Verified Loss (FVL) of \$732,560,112, which is derived from cursory FEMA inspection reports. Previous disasters have shown that an FVL figure substantially underestimates the actual cost of rehabilitation and reconstruction. To estimate damage to owner-occupied units, HUD has previously adjusted FVL based on the ratio of SBA loans to FVL determinations to capture a more realistic estimate of repair costs, while assessing damage to rental units based on their proximity to damaged homes.

This unmet needs assessment does not attempt to replicate the FVL analysis due to the lack of address-level SBA information specific to each applicant. Rather, to estimate the cost of repair, this assessment multiplies the average construction cost per square foot (\$135 in New Jersey per a 2012 Marshall & Swift report) by the damage category and the total square footage. For example, the estimated cost to repair a 1,000 square foot unit with severe damage is \$135,000 ($100\% * 1000 * 135$).

The extent of the damage uses the following defined categories of FVL combined with flood depth for owner and renter occupied homes as shown in Table 2-9. All homeowners and renters with more than four feet of flooding were assumed to be severely impacted.

Table 2-9 Damage Categories and Assumed Extent of Damage to Units

Category	Reported FVL	Reported FVL - Renters	Percent Damaged
None	\$0	\$0	0%
Minor-Low	\$1-\$3,000	\$1 - \$999	2%
Minor-High	\$3,000-\$7,999	\$1,000 - \$1,999	5%
Major-Low	\$8,000-\$14,999	\$2,000 - \$3,499	10%
Major-High	\$15,000-\$28,799	\$3,500 - \$7,499	20%
Severe	>\$28,800	>\$7,500	100%

Source: GCR Inc. using HUD Damage Classifications and FEMA Individual Assistance data effective March 12, 2013

In addition to physical damage to housing stock caused by the storm, the need for home elevations also represents a substantial cost. This unmet needs assessment assumes all of the owner-occupied homes with more than four feet of flooding and newly added to the 100-year floodplain will require elevation.

Having performed this analysis based on currently available data, the total cost to repair New Jersey's housing

sector presently is projected at \$4,294,935,055. The current total amount of federal and non-federal funds distributed for repairs to New Jersey’s housing sector and for elevations – including FEMA Individual Assistance funds, SBA loans and private insurance proceeds – totals \$1,953,191,063. As a result, New Jersey currently

projects an unmet housing need of \$2,504,993,992. Table 2-10 reflects New Jersey’s current estimate of damage to its housing sector, the current amount of funding received from other sources for housing sector recovery, and New Jersey’s current unmet need.

This figure likely understates the extent of New Jersey’s unmet housing needs. It does not represent the universe of damaged homes, but instead is limited to individual FEMA applicants determined by

FEMA to have sustained damage. It also excludes households that have not yet registered with FEMA. As additional data are compiled and analyzed, the State expects this figure to become more accurate and to rise. Notably, this unmet needs assessment purposefully includes only owners’ primary residences and rental properties. Per guidance provided by HUD, providing CDBG-DR funds to assist owners of vacation homes or non-primary residences that were damaged during the storm is prohibited.

Table 2-10 Estimated Unmet Housing Need

	Repair/ Replace Costs ¹	Elevation Costs for Homes with 4' Flood Depth and Newly Added to 100-Year Floodplain ²	Insurance Claims ³ (Residential and Flood)	FEMA Grant and SBA Loan ⁴	Unmet Need (GAP)
Total	4,294,935,055	\$163,250,000	\$1,434,422,611	\$518,768,452	\$2,504,993,992
Uninsured Homeowners with Major to Severe Damage	\$1,081,221,565	\$-	\$-	\$129,255,611	\$951,965,954
<p><i>1. Analysis using FEMA Individual Assistance data FVL values, flood depth, HUD damage categories and associated damage estimates</i></p> <p><i>2. Geospatial analysis of FEMA Q3 and ABFE maps overlaid with FEMA HAZUS data to determine total homes shifting into a 100-year floodplain effective March 12, 2013. Elevation costs assumed at \$50,000 per unit.</i></p> <p><i>3. Private insurance data provided by NJ Department of Banking and Insurance</i></p> <p><i>4. FEMA Individual Assistance data, effective March 12, 2013 and SBA data effective February 6, 2013</i></p>					

2.4 Economic Development

2.4.1 Businesses

Superstorm Sandy devastated many businesses in New Jersey, causing substantial commercial property damage and short-term and long-term business operations losses. The entire State of New Jersey, which has over 390,000 businesses, experienced high winds. Tens of thousands of businesses sustained short-term and long-term economic injuries. For example, current data from the New Jersey Department of Banking and Insurance suggest that businesses within 113 of New Jersey’s 565 municipalities incurred a combined \$382,000,000 in commercial property loss and another \$63,900,000 in business interruption losses.

Separately, damages to public infrastructure such as roads, rail and bridges as well as compromised water and electrical utility systems have caused significant interruption to the State’s economy and have had a corresponding negative impact on businesses trying to recover after the storm. For example, international trade and travel at the Port of New York and New Jersey, the nation’s third largest port,

Table 2-11 Businesses Impacted by the Storm

Sector	Businesses Impacted by High Winds
Total	391,664
Retail trade	58,529
Other services, except public administration*	45,793
Construction	36,563
Professional and technical services	35,791
Health care and social assistance	30,701
Accommodation and food services	26,535
Administrative and waste services	21,528
Finance and insurance	21,051
Real estate and rental and leasing	18,117
Wholesale trade	17,848
Unclassified**	14,731
Manufacturing	13,936
Public Administration	12,413
Educational services	10,715
Transportation and warehousing	10,477
Information	7,383
Arts, entertainment, and recreation	7,179
Agriculture, forestry, fishing and hunting	1,025
Utilities	678
Management of companies and enterprises	408
Mining, quarrying, and oil and gas extraction	263

Source: GCR Inc. effective March 6, 2013, using data from NOAA and InfoUSA

*The "Other Services" sector includes a variety of miscellaneous business types classified as "Other" by the North American Industry Classification System. A list of these business types can be found at <http://www.naics.com/free-code-search/sixdigitnaics.html?code=81>

**Unclassified businesses are those which NAICS deems unclassifiable. A list of these business types can be found at <http://www.naics.com/free-code-search/siclist.html?sictwo=99&rng=9199>.

stopped for days due to loss of power. Flooding caused New Jersey Transit systems to shut down, and some transit lines did not reopen for months. Gas unavailability also created issues for businesses trying to return to routine operations.

Showing the breadth of Sandy's impact across business sectors, Table 2-11 reflects New Jersey businesses impacted by Sandy by sector.

In the months following Superstorm Sandy, many businesses grappled with the cost of repairing damaged assets and economic injuries that resulted from temporary closures, unavailability of critical inputs, and/or displaced customer bases. In coming years, it is expected that revenues may suffer from the loss of some customers that have not returned to the area, and may not return. To emphasize the point, Table 2-12 projects economic and fiscal impacts that might result from Superstorm Sandy in the absence of a robust economic recovery.

Small businesses with five or fewer employees, which make up the majority of the State's business community, are expected to have been more severely affected than larger businesses likely to have more resources or capability to offset storm-based losses. Based on a preliminary assessment, the lack of comprehensive insurance and limited access to capital likely will be drivers of those difficulties. SBA figures demonstrate the extent of access to capital issues. Based on current figures, 93% of New Jersey businesses that have applied for SBA disaster loans were denied, oftentimes because they did not qualify or did not have sufficient funds available to rebuild their businesses.

2.4.2 Labor and Employment

The storm, which is estimated to have affected over 1,000,000 employees, severely impacted New Jersey's labor force. According to current data from the New Jersey Department of Labor, approximately 138,000 workers filed unemployment claims in November 2012, the first full month after Superstorm Sandy. By comparison, unemployment claims filed in November 2011, totaled 54,444 claims. As of February 2013, \$3.4 million has been spent in disaster unemployment benefits, including disaster unemployment claims which are aimed towards individuals who do not qualify for full unemployment benefits. Higher than

average unemployment rates are presently expected to continue over the next three years as a result of the storm, largely driven by potential downsizing of businesses

Table 2-12 Economic and Fiscal Impacts of Superstorm Sandy (without reconstruction)

	State GDP	Employment	Personal Income	State Tax Revenues
Q4 2012	-11,879.0	-7.3	-1,186.2	-108.5
2013	-2,802.8	-8.8	-290.3	-24.3
2014	-554.5	-2.3	-7.5	-2.6
2015	-325.2	-0.9	-32.0	-2.7

Sources "The Economic and Fiscal Impacts of Hurricane Sandy in New Jersey. A Macroeconomic Analysis." Mantell, Nancy H. Rutgers University. Edward J. Bloustein School of Planning and Public Policy, Issue Paper Number 34, January 2013.

hardest hit by the storm including those supporting tourism, namely retail and accommodations, that are clustered in shore communities.

The loss of employee income hinders the overall economy, creating a ripple effect as households have less disposable income to support businesses. While the anticipated high demand for rebuilding projects may afford some opportunity to offset job losses that may occur in other sectors, it is expected that the current labor force with adequate skills to perform rebuilding projects will not be able to satisfy demand. Left unchecked, this could result in price hikes and project delays. Job training and support of the construction, hazard mitigation and planning industries could mitigate these effects.

2.4.3 Tourism

New Jersey's tourism industry, the State's third largest industry, contributes more than \$38 billion to the State's Gross Domestic Product and, for 2011, represented 24.5% of private sector employment. Superstorm Sandy had, and continues to have, severe and far-reaching impacts on this vital sector. The substantial concentration of damage across many of New Jersey's shore communities — particularly those in Atlantic, Monmouth, and Ocean Counties — begins to show the breadth of the storm's impact on the tourism industry. The Jersey Shore, where the majority of tourism dollars are spent, is an iconic and long-established tourist destination, with retail, hospitality, and entertainment venues that contribute significantly not only to local community vitality but also to the overall State employment and business tax revenue base.

To further emphasize what the impact on the tourism industry means for local economies and the State economy:

- Tourism spending directly supports 312,000 jobs in New Jersey and 486,000 jobs indirectly. These jobs represent nearly 10% of all jobs in New Jersey. In Atlantic and Cape May Counties, in particular, the tourism sector represents 55.5% and 54.2% of private sector employment, respectively.
- Leisure, hospitality and retail industries represented \$43,400,000,000 or 8.9 % of the State's Gross Domestic Product in 2010.
- New Jersey's Tourism Economy is comprised of its Leisure, Hospitality and Retail (LHR) industries. The four components are weighted as follows: retail trade (56.8% of employment), food services/drinking places (29.0%), accommodation (7.4%) and arts/entertainment/recreation (6.9%).
- Many of the businesses within LHR directly and indirectly support the state's tourism industry, the State's 3rd largest industry according to the New Jersey Division of Travel and Tourism.
- Tourism in New Jersey generated \$4.4 billion in state and local taxes in 2011.
- The tourism industry had just begun to see a resurgence in 2011 from the decline beginning in 2007 that was related to the beginning of the national economic downturn.

Early estimates suggest that the tourism industry will lose \$950 million in the third quarter of 2013 as a result of Superstorm Sandy. This represents approximately 2.5% of the industry's annual revenue. This statewide figure does not reflect the severe impact that tourism industry losses have on communities, particularly on the Jersey Shore, whose budgets rely on annual tourism revenues.

As a result of Superstorm Sandy, many potential tourists are under the misperception that the entire Jersey Shore was decimated. According to Oxford Economics, *Potential Impact of the Gulf Oil Spill on Tourism*, U.S. Travel Association 2010, ongoing misperceptions of the level of damage caused by disasters hurts tourism economies even after assets have been restored. These misperceptions have endured an average of 10 to 27 months.

The negative effects of the misperception manifest in myriad ways. It has resulted in convention center cancellations. It also threatens the hotel/motel industry at the shore, which would project to have lower revenues and less need to retain employees if fewer tourists are patronizing the shore. In Atlantic, Cape May, Monmouth, and Ocean Counties alone there are over 740 hotels and motels (non-gaming) that employ nearly 8,000 people. For these and other reasons, the misperception regarding the Jersey Shore continues to threaten a robust recovery for the tourism industry in New Jersey.

2.4.4 Examples of Other Impacted Industries

2.4.4.1 Trade and Warehousing

The warehousing and shipping industries are at risk of job losses, as companies may stop shipping and storing goods in areas prone to flooding.

2.4.4.2 Manufacturing

The manufacturing industry also experienced significant losses in inventory and suffered from a lack of workforce in the immediate aftermath of the storm when transportation routes were compromised. The supply chain for these companies was also impacted by gas unavailability which prevented products from being produced and transported.

2.4.4.3 Fishing and Aquaculture

The State's fishing industry, comprised of commercial and recreational fishing and seafood processing, contributed more than \$2.7 billion to the economy in 2011 and directly employed 8,500 people. This industry suffered sizable losses in inventory and business interruption. Processing plants, docks, boats, roads and railways were destroyed or severely comprised. In addition, the storm caused significant ecological impacts by destroying the natural habitat of many species. Further, debris left in waterways by the storm has compromised some remaining navigation channels which must be addressed. New Jersey continues to actively address wet debris in State waterways. Initial estimates place the cost to recover from environmental infrastructure and ecological damage relating to this industry at \$100 million. However, because of the seasonal nature of the industry and because the full extent of "wet debris" issues in navigable waterways remains unknown, this loss estimate likely will increase, perhaps substantially.

2.4.5. Analysis of Unmet Business Need

To estimate the extent of the unmet need in New Jersey’s economic sector, this assessment subtracts funding provided to date by FEMA, SBA and private insurance from the current estimate of the total cost to repair commercial property damages and total amount of losses from interrupted business in the aftermath of the storm.

Commercial property damage is defined as any storm-related damage to commercial buildings, loss of inventory, and damage to fixtures, machinery and equipment. To estimate commercial property damage, the unmet needs assessment uses information on insurance claims reported by the New Jersey Department of Banking and Insurance rather than SBA loans. Its dataset represents a greater universe of business damage than the SBA loan information, showing more than 15,000 business claims compared to the SBA’s reported 1,579 commercial applicants.

To estimate damage caused by business interruptions the unmet needs assessment assumes, based on power outages throughout much of the State, that businesses experienced a business interruption of seven to ten days. The calculation assumes a 7.2% profit yield which is a 35-year average based on S&P and Bloomberg data. This does not take into account lost wages or unemployment.

Based on this analysis, New Jersey businesses suffered an estimated \$1,873,278,430 in total commercial loss and interrupted business operations, as shown in Table 2-13. So far, recovery funds disbursed, including SBA loans and commercial insurance, amount to \$145,465,017. This leaves \$1,727,813,413 in current unmet need.

This analysis is based on currently available data and is subject to change.

Need	Funds Disbursed	Unmet Need
\$1,873,278,430	\$145,465,017	\$1,727,813,413
<i>Source: GCR Inc. using commercial loan data provided by SBA effective February 6, 2013, insurance information provided by New Jersey Department of Banking and Insurance effective February 13, 2013, InfoUSA business listings (2012) and NOAA hurricane impact maps retrieved February 4, 2013.</i>		

It does not take into account any long-term losses or systemic impacts to the State’s key economic base, notably tourism and the coastal real estate market. This exclusion is due to the limited availability of data and the inability to accurately predict how coastal communities will rebuild over the next several months. It is anticipated that the full unmet business needs will far exceed the figures presented in this assessment, particularly regarding the tourism industry, property values, and the long-term needs of businesses in heavily impacted areas.

2.5 Infrastructure

Superstorm Sandy extensively impacted New Jersey’s infrastructure. Local and state roadways experienced significant damage from extensive flooding. Sustained winds caused trees and debris to make roads impassable. Rail and other public transit systems, which suspended operations in anticipation of the storm, experienced equipment losses and other service disruptions.

The delivery of core utility services was substantially impaired. An estimated 2.6 million New Jersey residents lost power as falling trees downed power lines and tidal surges as high as 13 feet inundated electrical substations. Many wastewater treatment plants, dependent on commercial electrical power, were unable to maintain service.

In addition to the transportation damage and utilities interruptions, many municipalities had to contend with extensive damage to other public infrastructure. Superstorm Sandy damaged police, fire and emergency response buildings, vehicles and equipment. The storm created multiple public health issues, including environmental hazards (e.g., mold, lead and asbestos) and unsafe debris. Superstorm Sandy also damaged many public and community buildings, such as town halls, libraries and post offices, among others.

The State, in close partnership with counties and local municipalities, and with support from federal agency partners, has been diligent in performing assessments of the impacts of the storm, has already undertaken some repair work, and is designing resiliency plans and other infrastructure programs to mitigate the impact of future storms. The repair and reconstruction of New Jersey's transportation system, utility networks, public health infrastructure, and public and community buildings is critical to the long-term recovery effort.

In addition to the damages reported by individual State agencies through these assessments, the following summaries cite damage estimates from FEMA Project Assistance data current as of February 23, 2013. This data is also used to estimate unmet needs using methods applied by HUD in response to other significant disasters in recent allocations of CDBG funds. This calculation subtracts the total amount in project worksheets which has been deemed eligible for FEMA funds from the overall damage categories and factors in a 25% required local match. For example, if \$200,000 of a \$1,000,000 project has been deemed eligible, the unmet need of that project is \$850,000, calculated as follows: $\$1,000,000 - \$200,000 + (0.25 \times \$200,000) = \$850,000$. Hazard mitigation costs are also added to the FEMA data as part of the overall unmet need. The figures for unmet infrastructure needs are preliminary, and it is anticipated that the full cost of repairs and recovery are likely to greatly exceed what is currently reported in the FEMA Project Assistance data.

2.5.1 Transportation Infrastructure

The impact of Superstorm Sandy on New Jersey's transportation infrastructure was felt long before the storm made landfall. To protect life and mitigate the potential for damage, the State closed three quarters of the 173-mile long Garden State Parkway — an unprecedented safety precaution. New Jersey Transit suspended operations and ferry service was shut down.

Although post-storm damage assessments continue, a more complete picture is now emerging of the substantial damage that Superstorm Sandy caused. A number of roads in shore communities were entirely washed out, as were the berms that protected the roadways. For example, in Mantoloking Township, the Atlantic Ocean breached over 1,000 feet of State Route 35 in three locations. Highways, including

parts of State Route 37 in Toms River Township, experienced severe erosion. Laborers and heavy equipment were required to remove debris from multiple highways, including cars, and even portions of building structures.

Bridges experienced structural and other damage that will cost millions of dollars to repair. For example, the State Route 71 Shark River Bridge suffered flooding of electrical and mechanical bridge operations equipment. The State Route 37 Bridge suffered bearing damages. The State Route 72 Causeway Bridge experienced considerable erosion.

Even those roadways that did not flood experienced significant damage. In Jersey City and Point Pleasant, the arms of barrier gates were sheared off due to excessive wind. Guiderails and fences along roads throughout the State sustained damage from falling trees and other debris. Hardwired warning signs – intended to guide residents in times of disaster – were turned and disabled by the storm’s powerful winds. Traffic signals throughout the State were knocked down or otherwise rendered inoperable by power outages. Sinkholes have also been reported throughout the State. On just State Routes 35 and 36, approximately eighty sink holes were created.

Without exception, every New Jersey Transit rail line experienced damage. Tracks washed out, rail storage areas flooded, and maintenance facilities were damaged. Even with extensive and time-intensive restoration efforts, full operations were not resumed until December 3, 2012, with limited service in some cases.

New Jersey’s roadways are critical to the evacuation of New Jersey’s residents in the event of another disaster. The quick restoration of the transit system’s trains, light rail, and buses is critical to the economic recovery of the region. The State took immediate steps to begin the process of assessing the damage and prioritizing the repair and rebuilding of New Jersey’s transportation networks. The State intends to rebuild storm-damaged infrastructure in a manner that helps it to better withstand the forces of violent storms.

As part of this process, the State identified a number of hazard mitigation projects that should be implemented during the rebuilding process. Potential projects include reconstruction and replacement of critical roads and bridges, the construction of bridge abutment/pier scour counter measures at 130 scour critical state owned bridges, traffic signal hardening including emergency generator interface capability, drawbridge hardening and movement of electrical and mechanical systems to higher elevations, and the installation of emergency generators at maintenance yard facilities. Some long-term projects are already being undertaken, including the construction of a new bridge, among other improvements, to be built parallel to the State Route 72 Manahawkin Bay Causeway. The new bridge will provide the safety of a redundant route on or off Long Beach Island in the event a span needs to be closed. The State also recently announced an aggressive schedule to completely rebuild a 12.5-mile storm-damaged stretch of State Route 35 along the Barnegat Peninsula in Ocean County. The project incorporates significant mitigation design elements, including an improved drainage system, pump stations, and 24-inch thick pavement and sub-base materials.

New Jersey's transportation needs are expected to be substantial. Preliminary information indicates estimated damages of \$882,613,000 to systems maintained by the New Jersey Department of Transportation, the New Jersey Turnpike Authority, New Jersey Transit, the South Jersey Transportation Authority, and county and municipal transportation agencies. An additional \$2,367,470,000 in resiliency projects—to ensure protection of roadways and transit systems from future events—have been identified to date, bringing the total estimated costs to \$3,250,083,000. Additional damages not reflected here were incurred in connection with debris removal operations and in loss of revenue.

With respect to outstanding project worksheets submitted to FEMA, as of February 23, 2013, only \$1,400,124 in estimated damage has been deemed eligible in Public Assistance funds for transportation projects, although substantial additional transportation projects are expected to be committed in the future. Factoring in the \$2.367 billion in resiliency projects and a 25% local match for FEMA-funded projects, New Jersey's current estimate of its unmet transportation need totals \$3,249,032,907. This figure does not include funding from federal (non-PA) or other sources or mitigation projects that are currently planned by the Port Authority of New York & New Jersey.

2.5.2 Utility Infrastructure

In the aftermath of Superstorm Sandy, an estimated 2.6 million New Jersey residents were without power due to damaged switching and substations, damaged poles and electrical equipment, and downed trees that brought down wires. At least one-third of these residents lacked power for at least six days. Schools, small businesses, and other commercial enterprises did not have power restored, in some cases, for more than a week. Electricity interruption also impacted 9-1-1 facilities, hospitals, nursing homes, long-term care facilities, domestic violence shelters, foster homes, mental health facilities, and other infrastructure that provides critical social services throughout the State. In many cases, electricity outages rendered unusable New Jersey's petroleum production and delivery systems, by disabling the refineries, terminals, pipeline operations, and gas stations needed to deliver petroleum products to end users.

Damage to homes delayed reconnection to the power grid. One month after Superstorm Sandy made landfall in New Jersey, approximately 18,800 households were still without power.

Superstorm Sandy's impacts were not limited to electric utilities. Interruption of natural gas service – critical for heating in winter months – impacted 32,000 households. Five miles of natural gas line spanning Bay Head to Seaside experienced substantial damage.

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. Even at plants where backup generation was available, the disruption of the petroleum production and delivery system caused generator fuel supplies to be limited.

The vast majority of New Jersey's community water supply systems were impacted: 427 of 604 community water systems experienced power loss during the event. As a direct result of the service interruptions, 362,334 New Jersey residents were placed under a boil water advisory. One month after Superstorm Sandy made landfall, eight drinking water systems in Ocean County, serving approximately 10,000 households, were still subject to a boil water advisory.

New Jersey is already taking steps to fully assess the impact to statewide utilities and develop long-term recovery plans. Complete repair and restoration of service is essential. In the long term, it is critical that New Jersey's electric, natural gas, and water and wastewater systems become more durable and stable to withstand the impacts of severe weather events. In some cases, systems need to be hardened and redundant systems may need to be developed.

Investor-owned public utilities have also identified potential projects to make utility infrastructure less susceptible to storm damage, such as that which results from high winds, flying debris, storm surge and flooding. Potential projects include proposals to raise, relocate, or protect switching and substations in ABFE flood zones; the modernization of gas mains in flood-prone areas; the improvement of pole distribution systems; and the construction of additional redundancy in the system.

The costs of building a more resilient utility infrastructure will be substantial. Approximately \$21.1 billion in mitigation projects have been identified. With regard to damages, while additional utilities projects are expected to be committed in the future, initial data as of February 23, 2013 indicates that \$277,487,381 in project worksheets have been submitted to the FEMA Public Assistance (PA) program for utilities projects, of which \$901,182 has been deemed eligible. Assuming a 25% local share of existing PA funding, the total local share is currently \$225,295.50. Therefore, excluding the federal share, New Jersey's current estimate of its unmet utilities need totals approximately \$21,350,000,000.

2.5.3 Schools, Parks, and Recreation Infrastructure

Damage from Superstorm Sandy significantly impacted students and faculty of many New Jersey schools. Flood waters and power outages forced at least 370 school districts to close for at least one week. A total of 77 schools suffered damages from the storm including flood, roof, structural, and window damage.

Because of the damage and closings of New Jersey Public Schools, over 2,800 students were displaced. The Department of Education was responsible for funding the creation of accommodations for these students at schools that were undamaged, and the cost of transporting students to these locations. Damages to schools on Long Beach Island were so severe that 85 students may have to be permanently relocated.

Superstorm Sandy also caused substantial damages to New Jersey's State and community parks. Statewide, hundreds of millions of dollars of damage was reported at New Jersey marinas, beaches, and boardwalks. Many community parks were closed and remain closed because of safety concerns, some because they are still being used to store debris as cleanup continues.

As of February 23, 2013, throughout the State, the damage estimates reflected in FEMA project worksheets was \$8,406,986 to schools facilities and \$392,899,577 to parks and recreational facilities. Of these estimates, \$1,898,855 has been deemed eligible for schools and \$1,037,427 has been deemed eligible for parks and recreational facilities. Assuming a 25% local match, the unmet need for schools is \$6,982,845, and the unmet need for parks and recreational facilities is \$392,121,507, totaling \$399,104,352 for both categories.

2.5.4 Public Health and Safety Infrastructure

Police buildings, vehicles, and equipment were damaged during the storm. Police departments in areas such as Absecon, Bay Head, Egg Harbor Township, Florence Township, Guttenberg, Haddonfield, Kearny, Lavallette, Newark and Toms River suffered losses. Local fire departments, mostly volunteer in New Jersey, were crippled. The loss of facilities and vehicles in areas such as Berlin Township, Brick Township, Brigantine, Hoboken, Jersey City, Kearny, River Vale, South Amboy, Brick Township, Sussex and Ventnor City has caused increased response times for fire and medical services, further endangering local residents.

Superstorm Sandy created potential public health issues, including mold due to moisture infiltration, lead and asbestos hazards within storm debris, and potential increases in mosquito-borne diseases caused by storm-created conditions that increase mosquito breeding. The storm also deposited enormous quantities of debris on both public and private property over a large area resulting in widespread immediate health and safety threats to the public-at-large.

An estimated \$20,900,000 is needed to mitigate the public health issues caused by Superstorm Sandy outlined above and to repair critical safety-related infrastructure. Additionally, an estimated \$32,700,000 is needed for hazard mitigation projects identified to date. Based on these figures, New Jersey's estimate for the repair and recovery of public health and safety infrastructure is \$53,600,000.

As of February 23, 2013, only \$156,401 has been deemed eligible in Public Assistance funds for public health and safety projects, with an estimated \$117,000 of that amount provided by FEMA (assuming a 25% local match requirement). Based on eligible FEMA funds, New Jersey has an unmet public health and safety infrastructure need of approximately \$53,500,000.

2.5.5 Public and Community Buildings

Many public and community buildings provide critical services to the neighborhoods in which they reside and are vital to the proper functionality of local governments and organizations. These types of buildings can include city/town halls, courthouses, libraries, post offices, correctional facilities, day care, family and social service centers and senior care facilities.

As a result of Superstorm Sandy, many of the State's important public and community buildings were damaged, and many of them still cannot be used in their original capacities. A quick and thorough response to repairing these buildings and replacing their contents is critical to New Jersey's recovery.

Damage to public and community buildings throughout the State is estimated to be \$385,882,428 according to FEMA project worksheets as of February 23, 2013. Of this amount, \$5,548,273 has been deemed eligible. Assuming a 25% local match, the estimated unmet need for public and community buildings is \$381,721,223.

2.5.6 Analysis of Unmet Needs

To estimate the extent of the unmet need in New Jersey's infrastructure, this assessment calculates: a) the cost of repairing storm-induced damage minus the amount eligible for FEMA assistance plus the 25% local match; and b) the cost of implementing hazard mitigation as reported by state agencies as of March 8, 2013. According to this analysis, New Jersey infrastructure currently has an estimated unmet need of \$25,432,594,266.

As illustrated in Table 2-14, \$1,968,197,279 is for repairs to critical infrastructure and public buildings, and approximately \$23,470,000,000 has been identified by state agencies to date for hazard mitigation projects.

A large amount of data involving infrastructure repair and mitigation costs is still unavailable. It should be noted that these estimates exclude environmental infrastructure, such as flood protection, and the need for critical health and social services for impacted populations.

Table 2-14 Summary of Unmet Infrastructure Needs

Infrastructure Category	Estimated Damages (FEMA PA estimate)	Hazard Mitigation Costs	FEMA Eligible Expenses and Other Funding	Unmet Need Assuming 25% FEMA PA Match
Transportation*	\$882,613,000	\$2,367,470,000	\$1,400,124	\$3,249,032,907
Utilities	\$277,487,381	\$21,072,400,000	\$901,182	\$21,349,211,494
Schools, parks and recreation	\$401,306,564	\$0	\$2,936,282	\$399,104,352
Public health and safety	\$20,907,907	\$32,733,684	\$156,401	\$53,524,291
Public and community buildings	\$385,882,428	\$0	\$5,548,273	\$381,721,223
Total	\$1,968,197,279	\$23,472,603,684	\$10,942,262	\$25,432,594,266

Source: FEMA Public Assistance data and input from New Jersey Department of Transportation, New Jersey Department of Environmental Protection, New Jersey Board of Public Utilities, New Jersey Department of Education and New Jersey Department of Health effective March 8, 2013

**Based on preliminary damage assessments prepared by the New Jersey Department of Transportation, not based on FEMA Public Assistance data*

SECTION 3: NEW JERSEY'S GOALS, OBJECTIVES, AND RECOMMENDATIONS FOR LONG-TERM RECOVERY

Priorities have been established to facilitate thoughtful and effective recovery, and the State is refining its framework that will streamline recovery in a manner consistent with its priorities.

In the weeks and months following the storm, the State has worked with federal, local, nonprofit and other stakeholder partners to assess the nature and scope of damages caused by the storm. Priorities have been established to facilitate thoughtful and effective recovery, and the State is refining its framework that will streamline recovery in a manner consistent with its priorities. State long-term recovery teams have been established to develop initiatives to lead the State's housing, economic, infrastructure and health and social service sectors toward recovery. Likewise, other teams have been established to focus on addressing community capacity needs, natural and cultural resources and mitigation opportunities.

3.1 Long-Term Recovery Recommendations

The State has taken, and continues to take, steps toward implementing and executing a sustainable and resilient long-term recovery. In accordance with HUD regulations, the State also continues to examine its long-term recovery goals and objectives, which include designing, implementing and administering policies, programs, strategies and streamlined implementation methods informed by post-disaster evaluations and input from citizens, local communities, and other stakeholders. Moreover, consistent with HUD guidance, the State will undertake and promote hazard mitigation techniques and programs and seek to utilize green technologies and practices where doing so is feasible and cost-effective. In addition, the State remains committed to assisting local municipalities by providing resources, technical assistance and targeted programs to support their efforts to recover and rebuild efficiently, effectively and expediently.

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. These planning efforts will outline the State's vision to coordinate public and private investments to create economic opportunities and support workforce development. Contemporaneously, efforts will be made to balance the need to preserve open space and promote sustainable communities. DCA's Office of Local Planning Services (LPS) will work to provide municipalities with sound planning strategies to ensure long term recovery. LPS has a staff of licensed professional planners who work with municipalities to assist their efforts to effect changes and improve quality of life.

To further assist local governments with recovery, the State has significantly enhanced recovery operations within the Office of Emergency Management to work with localities and other eligible applicants to maximize and expedite projects funded by FEMA's Public Assistance program.



The State recognizes that municipalities likely will need assistance to build smart, safe, and strong communities and the State will provide technical assistance as needed.

One of the early steps DCA is taking to assist local governments is to hold a series of workshops for impacted communities that will introduce them to a range of land use and zoning issues that they may have to consider because of new building and environmental standards. Speakers from Mississippi and Louisiana will provide first-hand insight and guidance regarding the challenges of resettling and rebuilding. New Jersey land use lawyers and planners will offer problem solving tools and resources. These workshops will be targeted to mayors, governing bodies and planning board members. Thereafter, LPS planners will be provided to municipalities that request that support.

The State has been facilitating discussions between federal agencies, local governments, nonprofits, and other concerned stakeholders regarding long-term recovery needs. The following recommendations were compiled from initial efforts.

3.1.1. Housing: Long-Term Recovery Recommendations

As detailed in Section 2, Superstorm Sandy caused catastrophic damage to a broad range of New Jersey's suburban and urban communities, and had a substantial negative impact on New Jersey families of all income levels. Low and moderate income households were hit especially hard, particularly in the most significantly impacted counties. Based on FEMA Individual Assistance (IA) reports, and as referenced above, approximately 40,500 owner-occupied homes and 15,600 rental units sustained "severe" or "major" physical damage from the storm, as defined by HUD, while nearly 26,000 additional properties sustained "minor" physical damage. These figures include only primary owner-occupied residences and year-round rental properties, not damage to seasonal rentals, vacation homes or secondary residences. As previously noted, HUD has identified Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union Counties as the areas that sustained the most significant damage as a result of Superstorm Sandy.

To address New Jersey's housing needs, the State will undertake a number of initiatives including:

- Providing funding assistance for reconstruction and rehabilitation programs that focus primarily, but not exclusively, on low and moderate income households
- Developing adequate, storm-resistant housing that will meet building standards and incorporate mitigation measures including green technologies where feasible and/or housing elevations which may require construction to FEMA's Advisory Base Flood Elevation maps
- Providing resettlement and reoccupancy incentives to homeowners contemplating selling or abandoning their homes post-storm
- Developing affordable rental housing across household income levels, with a focus on serving low and moderate income households and priority given to the nine counties identified by HUD as most impacted by the storm

- Developing a housing plan for supportive services for special needs populations.

3.1.2 Economic Vitality: Long-Term Recovery Recommendations

Restoring economic vitality to New Jersey's businesses and communities is essential for the State's long-term economic recovery and revitalization. Accomplishing this goal requires opportunities to recover from losses and to spark new economic activity within communities. Economic recovery initiatives following Superstorm Sandy should include grants and loans to small businesses that suffered damage. A broad spectrum of programs should be offered that include support for the varied needs of communities, including housing redevelopment, small business financial and technical assistance, commercial redevelopment or enhancement, tourism marketing, and planning for economic growth.

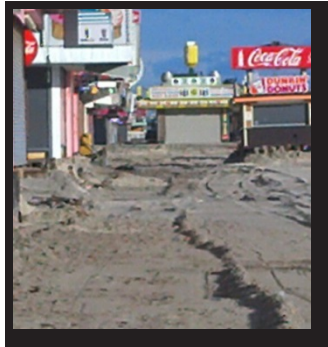
The State will undertake a number of economic initiatives as part of its recovery, which have included, or will include:

- Focusing on economic revitalization
- Conducting a state workforce study
- Conducting entrepreneurial and small business needs assessments
- Providing grants to eligible small businesses
- Addressing infrastructure improvements in commercial/retail corridors
- Providing unemployment assistance
- Considering New Jersey Economic Development Authority initiatives
- Considering New Jersey Casino Redevelopment Authority initiatives
- Considering New Jersey Redevelopment Authority initiatives
- Considering other economic/financial incentives for business retention and growth
- Restoring public parks and recreational facilities
- Restoring public streetscapes and public spaces
- Providing workforce training

3.1.3 Infrastructure: Long-Term Recovery Recommendations

Programs for the long-term recovery of infrastructure and public facilities will be coordinated with local and regional efforts and will leverage funding from FEMA Public Assistance and other funding sources. Repairing and restoring public infrastructure that was damaged by Superstorm Sandy will involve infrastructure initiatives including:

- Undertaking planning studies to assess strategic infrastructure initiatives inclusive of hazard mitigation plans and incorporating results of planning studies in constructing more resilient infrastructure projects



Restoring economic vitality to New Jersey's businesses and communities is essential for the State's long-term recovery.

- Developing a match program to subsidize the local cost share of public assistance projects

3.2 Federal, State, Local, Nonprofit, Private and Individual Sources of Funding to be Leveraged to Fund Unmet Needs

The State will leverage its CDBG-DR funds with other federal and non-federal funding sources to maximize the impact of disaster relief monies and prevent duplication of benefits. The State will program CDBG-DR funds to address funding needs not satisfied by other funding sources such as FEMA Individual Assistance grants, SBA Disaster Loans and private insurance. The State also plans to leverage its CDBG-DR dollars with funding from the FEMA Hazard Mitigation Grant Program (HMGP). Additional guidance on this process will be provided at a later date. CDBG-DR funds will complement, not supplant, these resources. The State also will provide technical assistance to ensure that local and county governments exhaust FEMA and other federal funding options prior to providing assistance through CDBG-DR programs.

In addition, through an ongoing focus toward developing and strengthening public-private partnerships with corporations, foundations, nonprofits, and other stakeholders, the State will assist and integrate efforts of the organizations already active, or that will become active in the recovery.

SECTION 4: METHOD OF DISTRIBUTION

Based on the unmet needs assessment in Section 2 and input from impacted communities throughout New Jersey, the State has prioritized a portfolio of programs that will assist in meeting the short- and long-term recovery needs of its residents and communities. While the impact of the storm was much greater than the resources available under the initial HUD allocation, these programs will begin to address the unmet needs in owners' primary residences and rental housing, economic recovery and revitalization, infrastructure, environmental needs and public services activities.

The Disaster Relief Appropriations Act of 2013, requires that all CDBG-DR funded activities address an impact of the disaster for which funding was appropriated. The CDBG-DR provisions require that each activity: (1) be CDBG eligible (or receive a waiver), (2) meet a national objective as defined by 24 CFR 570.483, and (3) address a direct or indirect impact from the disaster in counties declared by the President to have been impacted by the disaster. A disaster impact can be addressed through a number of eligible CDBG activities listed in Section 105(a) of the Housing and Community Development Act of 1974, as amended.

The recovery activities herein will make full use of the three national objectives under 24 CFR 570.483 which include benefitting low and moderate income persons, preventing or eliminating slums or blight, and meeting urgent needs to implement a robust and comprehensive recovery for the residents of New Jersey.

Additionally, the Quality Housing and Work Responsibility Act of 1998 (Title V of Pub. L. 105-276) and the guidance provided by HUD in the Federal Register (FR-5696-N-01) each contain a provision allowing the use of an alternate methodology for determining low and moderate income limits for select jurisdictions. Under these provisions, grantees may use "uncapped" income limits that reflect 80% of the actual median income for the area. The State will use the uncapped limits for disaster recovery activities funded pursuant to this Action Plan in affected jurisdictions covered by these limits.

Unless otherwise stated or expanded upon in the program descriptions below, the various types of Sandy recovery assistance will be provided generally on a first-received, first-evaluated basis until all available funds are obligated. This method promotes fairness and provides an incentive to apply and begin activities quickly. DCA will conduct statewide outreach as applicable and reasonable in both English and Spanish regarding the availability of programs and encouraging applications. This outreach will be conducted shortly after HUD approval of the Action Plan and will encourage households, businesses and communities to begin gathering needed application documentation. In addition, DCA will create partnerships such as with local government agencies, nonprofits, faith-based organizations and other



Repair, replacement or relocation of damaged infrastructure is also a priority for use of these dollars.

community leaders as needed to conduct local meetings to answer questions about the application process and encourage participation.

All HUD regulations regarding lead-based paint, asbestos removal, environmental, housing quality standards, procurement and other applicable standards apply to these programs.

Details of proposed programs are below (Table 4-1).

Housing

Superstorm Sandy caused significant levels of damage to owner-occupied and rental housing within impacted counties. Based upon the State's review of the most recent data obtained from FEMA and SBA, the unmet need for housing repair and replacement is more than \$2,500,000,000. The need for safe, decent, and affordable housing is the State's top priority, which is why the State has allocated 66% of the programmatic funding from this initial tranche of CDBG-DR funds to housing programs. This is, by far, the largest CDBG-DR allocation by the State to an impacted sector. Proposed housing activities are intended to assist homeowners in reconstructing, rehabilitating, and elevating homes within floodplains as well as providing affordable rental housing for persons displaced by the storm.

Consistent with federal guidance, the State will allocate CDBG-DR funds to housing-related programs in a manner responsive to data showing how the storm affected, and continues to affect, New Jersey households. The State has allocated \$780,000,000 to programs focused on rebuilding, reconstructing, elevating and mitigating heavily damaged owner-occupied primary residences and supporting homeowner's decisions to remain in their homes. This figure amounts to approximately 67% of the total amount of CDBG-DR funds from this first tranche of funding (\$1,159,520,000) allocated by the State for housing programs. The allocation follows from the data. As described in Section 2, using HUD's methodology for calculating unmet need based on FEMA Individual Assistance data updated as of March 12, 2013, of the 56,077 residences that sustained "severe" or "major" damage as a result of Superstorm Sandy, 40,466 (~72%) are owner-occupied primary residences. Stated differently, the number of owner-occupied primary residences that experienced "severe" or "major" damage from the storm exceeds the number of rental units that sustained such damage by a factor of more than three to one. (This analysis excludes damage to second homes as, per HUD guidance, CDBG-DR funds cannot be used for second homes.) The State is committed to targeting its limited CDBG-DR resources allocated to homeowner programs to focus on the most heavily impacted counties and on primary homes that sustained severe or major damage from the storm.

Yet the State also recognizes that the storm significantly damaged rental properties, and the State has proposed programs to address that impact directly. Of the \$1,159,520,000 to be used for housing-related programs from this tranche of CDBG-DR funds, \$379,520,000 will be used for programs that support the needs of renters, and enable renters wishing to become homeowners. This amounts to approximately 33% of the total funds allocated for housing under the Action Plan. FEMA Individual Assistance data, updated as of March 12, 2013 shows that of the

Table 4-1 Method of Distribution

Category (Action Plan Section No.)	Allocation Level		Program (Action Plan Section No.)	Allocation Level	Estimated LMI Benefit	Maximum Housing Award	Estimated Unit Benefit
	Total Amount	Estimated LMI Amount					
Homeowner Assistance Programs (4.1)	\$780,000,000	\$528,000,000	Reconstruction, Rehabilitation, Elevation and Mitigation Program (4.1.1)	\$600,000,000	70%	\$150,000	6,000
			Housing Resettlement Program (4.1.2)	\$180,000,000	60%	\$10,000	18,000
Total	\$780,000,000	\$528,000,000		\$780,000,000			
Rental Housing and Renter Programs (4.2)	\$379,520,000	\$366,544,000	Fund for Restoration of Large Multi-Family Housing (4.2.1)	\$179,520,000	95%	\$120,000	1,700
			Small Rental Properties (4.2.2)	\$70,000,000	100%	\$50,000	1,750
			Pre-development Fund (4.2.3.1)	\$10,000,000	90%	\$500,000	1,000
			Blight Reduction Pilot Program (4.2.3.2)	\$30,000,000	90%	\$250,000	120
			Incentives for Landlords (4.2.4.1)	\$40,000,000	100%	\$50,000	1,000
			Sandy Home Buyer Assistance Program*(4.2.5)	\$25,000,000	100%	\$50,000	500
			Sandy Special Needs Housing Fund** (4.2.6)	\$25,000,000	100%	\$100,000	250
Total	\$379,520,000	\$366,544,000		\$379,520,000			
Economic Revitalization (4.3)	\$460,000,000	\$69,000,000	Grants/Forgivable Loans to Small Businesses (4.3.1)	\$260,000,000	15%		
			Direct Loans for Small Businesses (4.3.2)	\$100,000,000			
			Neighborhood and Community Revitalization (4.3.3)	\$75,000,000			
			Tourism Marketing (4.3.4)	\$25,000,000			
Total	\$460,000,000	\$69,000,000		\$460,000,000			
Support for Governmental Entities (4.4)	\$116,000,000	\$29,000,000	FEMA Match Program (4.4.1)	\$50,000,000	25%		
			Continuation and Enhancement of Essential Public Services (4.4.2)	\$60,000,000	25%		
			Code Enforcement (4.4.3)	\$6,000,000	25%		
Total	\$116,000,000	\$29,000,000		\$116,000,000			
Supportive Services Programs (4.5)	\$10,000,000	\$10,000,000	Supportive Services Program (4.5.1)	\$10,000,000	100%		
Total	\$10,000,000	\$10,000,000		\$10,000,000			
Planning, Oversight and Monitoring (4.6)	\$84,000,000	N/A	Administrative/Planning	\$84,000,000	N/A		
Total		\$1,002,544,000 (Estimated)	Total	\$1,829,520,000	57.4%		

*Program provides assistance to renters seeking homeownership

**Program provides additional rental units for special needs households

56,077 residences that sustained “severe” or “major” damage from the storm, 15,611 (~28%) are rental units. The rental assistance programs will rehabilitate units damaged by the storm and create new affordable units. Certain programs are open to for-profit and nonprofit developers as well as public housing authorities. Additionally, programs will offer subsidies to qualified rental property owners in heavily impacted communities to make housing more affordable for LMI and very low income households. Finally, it is important to note that, for both homeowner and rental programs, this marks only the first tranche of CDBG-DR funding that the State will receive from HUD. As the State receives additional allocation of CDBG-DR and its data-driven unmet needs analyses evolve, it will target additional funds to its proposed programs, including homeowner and rental programs, as well as develop new programs to address those needs.

The proposed housing programs also will offer substantial assistance to LMI households. As some examples, 70% of the funding from this first tranche of CDBG-DR funds dedicated to the State’s primary homeowner reconstruction program is reserved for LMI households. Sixty percent of the monies allocated to the Housing Resettlement Program, described below, are reserved for LMI households. The State is pursuing programs to make both owning homes and renting units more affordable. And the State’s rental programs are expected primarily to assist LMI households. In total, the State projects that approximately 77% of funding allocated for State housing programs, or approximately \$895,000,000, will directly benefit LMI households.

Per HUD guidance, Appendix B to the Action Plan contains tables describing the racial and ethnic characteristics in the nine counties most affected by Superstorm Sandy as determined by HUD, based on most recently available Census Data from the American Communities Survey. To summarize those tables:

- Of the 19 census tracts with 50% or more of the households having sustained major or severe damage, on average 90% of the households are white, non-Hispanic, 6% are Hispanic, 3% are Asian/Pacific Islander and 1% are black. The average median household income for these census tracts is \$71,590, which is above the State median of \$67,458.
- Of the 36 census tracks with 25% to 49% of households having sustained major or severe damage, on average 81% of the households are white, non-Hispanic, 6% are black, 3% are Asian/Pacific Islander and 9% are Hispanic. The average median household income for these tracts is \$62,297, which is below the State median.
- Of the 45 census tracts with 10% to 24% of their households having sustained major or severe damage, on average 74% of the households are white, non-Hispanic, 10% are black, 5% are Asian/Pacific Islander and 10% are Hispanic. The average median household income for these tracts is \$64,573, which is below the State median.

The State is committed to affirmatively furthering fair housing through its housing programs, following all applicable federal and state statutes and regulations, and vigorously enforcing fair housing laws. As described above, the State will ensure that housing assistance relating to Superstorm Sandy recovery is prioritized and

allocated solely based on disaster-related need, without regard to race or ethnicity. Information relating to demographics of impacted communities will be utilized to ensure that assistance is accessible and reaches New Jerseyans in need. In support, the State is in the process of standing up household assistance centers in each of the nine most impacted counties to assist residents and communities with the recovery programs and the application process. Demographic information will be used for, among other things, assessing language barriers and case management needs to be accounted for to the reasonable extent possible in standing up these centers to maximize the benefit to impacted New Jerseyans. Local Centers are being determined with key considerations such as their central location within the impacted counties, ease and provision of accessibility, appropriate size and the level of multilingual services recommended addressing the demographic needs as analyzed for the communities and counties. The centers will also be equipped to conduct outreach, and deploy staff for home visits as needed, to accommodate the needs of the elderly and/or populations with identified special needs.

Finally, New Jersey will require all replacement and new construction to meet green building standards by requiring compliance with ENERGY STAR™.

4.1 Homeowner Assistance Programs

Homeowners suffered great losses to their physical property as a result of Superstorm Sandy. In addition, many homeowners now face challenging decisions of how to best rebuild their homes given the increased costs of insurance, decreases in property values and the costs of mitigation. The State's homeowner assistance programs will assist homeowners to stay in their homes as well as to rebuild and repair safer and smarter.

In addition to assisting homeowners in their rebuilding efforts, these programs will provide stability to communities impacted by the storms and support job growth in the construction industries.

The homeowner assistance programs will contribute to more sustainable communities. Reconstruction and rehabilitation of impacted housing provides an opportunity to incorporate green building technology and energy efficient development and meet modern building standards such as:

Reconstruction Standard: When applicable, replacement and new construction will meet the 2009 Residential International Code and the green building standards by requiring compliance with ENERGY STAR™.

Rehabilitation Standard: When applicable, the programs will adhere to the following housing rehabilitation standards:

- The State of New Jersey's Uniform Construction Code
- The Single Family Housing Rehabilitation Standard provided by the program
- The HUD CPD Green Building Retrofit checklist

All reconstruction, new construction and rehabilitation must be designed to incorporate principles of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters.

4.1.1 Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

The RREM program will provide grant awards to eligible homeowners for activities necessary to restore their storm-damaged homes, including rehabilitation, reconstruction, elevation and/or other mitigation activities. The program will also provide reimbursement for eligible expenses incurred prior to the implementation of this program.

The RREM Program provides \$600 million towards rebuilding damaged owner-occupied homes. The maximum award, \$150,000, is based on the average cost to rebuild an average-sized home in a coastal area as described in 2013 Marshall and Swift construction cost estimates. Previous CDBG-DR programs also established grant ceilings for housing programs by calculating the average cost to rebuild. After the Gulf Coast disaster, an average cost of \$75.00 per square foot was used to determine the program allocation. With construction costs on the New Jersey coast averaging \$135.00 per square foot, the State anticipates that this program will assist approximately 6,000 homeowners.

Allocation for Activity: \$600,000,000 to benefit approximately 6,000 homeowners. The initial phase of the program will be allocated 70% for low and moderate income (LMI) households and 30% for non-LMI households.

Maximum Award: \$150,000

Eligible Applicants: Homeowners whose primary residences sustained substantial, severe or major damage from Superstorm Sandy. The residence must be located in one of the nine most impacted counties. Because the State has limited CDBG-DR funds, the priorities among eligible applicants listed below are intended to ensure that the focus of this first tranche of CDBG-DR funds is placed where storm damage was greatest. Similarly, to target affected households whose unmet need is likely most significant, the State has capped eligibility for the RREM program to households with adjusted gross income of \$250,000 or less.

The program will prioritize homeowners within the nine most impacted counties as determined by HUD. Priorities include:

Priority 1: Homes with “substantial damage,” as determined by New Jersey floodplain managers, regardless of zone

Priority 2: (if demand and funds remain after Priority 1) Severe/major damage only in A/V zones

Priority 3: (if demand and funds remain after Priority 2) Severe/major damage in all other zones

Eligibility Criteria:

- Home must have been owner-occupied at the time of the storm
- Home must have served as primary residence
- Home must have been in one of the nine most impacted and distressed counties
- Homeowner must have been registered with FEMA
- Homeowner must have a household adjusted gross annual income of less than \$250,000
- The RREM program will follow the reconstruction and rehabilitation standards noted previously

Criteria for Selection:

- To ensure that assistance is available to those likely to be most in need, 70% of the \$600,000,000 allocated to the RREM program will be targeted to benefit LMI households. The remaining 30% will be targeted to households with adjusted gross income of \$250,000 or less, which figure was chosen to stretch the State's resources and to ensure that middle-class New Jerseyans are not means tested out of the RREM program.

All applicants received in the established initial phase will be randomized at the end of the phase to determine their numeric ordering. The ordering will then undergo the stated prioritization process in randomized number order until DCA reaches the maximum for each bucket – reserving 70% of RREM project funds for LMI and 30% of RREM project funds for non-LMI.

Regarding the prioritization described above, applications submitted by homeowners whose homes were substantially damaged will be processed in the order in which they are received, and prioritized ahead of other applicants whose homes were not substantially damaged until that priority has been exhausted. In the case of oversubscription to the program, the State will also review the geographic distribution of awardees to ensure a reflective distribution relative to damage levels represented in Table 2-8 of the Action Plan, and consistent with prioritizations. An adjustment will be made to allow that damage threshold is met if a sufficient number of applicants exist. All other applications will be processed in accordance with the State's stated priorities, in the order in which they were received.

- 70% of the funds are reserved for LMI income households in accordance with HUD income guidelines

Eligibility: Section 105(a)(4) Housing and Community Development Act (HCDA) of 1974 as amended, (Section 18. Reimbursement of disaster recovery expenses)

National Objective: Low and moderate income, urgent need

4.1.2 Homeowner Resettlement Program

Natural disasters can often cause significant out-migration of homeowners from the affected communities, particularly among homeowners unable for a period of time to occupy their storm-damaged homes. Out-migration can significantly impact communities and also affect local economies by shrinking local tax bases. Mitigating that risk in New Jersey is therefore critical to realizing a successful recovery.

As would be expected based on past natural disasters, many homeowners in New Jersey affected by Superstorm Sandy are currently under significant financial pressures that, left unaddressed, could make it more likely that they decide to abandon their communities. Many homeowners considering rebuilding are concerned with rising insurance costs. For example, the Biggert-Waters Flood Insurance Reform Act of 2012 (the "Biggert-Waters Act") is removing subsidies that lowered flood insurance premiums for many New Jersey property owners. Over time, homeowners could see increases in their flood insurance premiums of 25% per year until the premium reflects actuarially determined flood risk. Based on premiums noted on the FEMA FloodSmart.gov website, a \$250,000 home with full

In an effort to support homeowners' decisions to stay in their homes and contribute to the rebuilding of their neighborhoods, the Homeowner Resettlement Program was created to provide struggling homeowners with much-needed resources to resettle in their homes.

coverage, if previously subsidized, could see up to \$10,760 in premium increases over a three year period. Additionally, many homeowners with homes that are not “substantially damaged” still likely will decide to make expensive adjustments to properties, such as elevation and storm hardening because once FEMA’s ABFE maps are finalized, the maps will be part of the calculation for assessing flood risk and therefore in setting flood insurance rates. Based on the rates on the FEMA website noted above, some homeowners could see possible rate increases of between \$2,800 and \$6,700.

The State expects a \$10,000 grant that households could use toward addressing any increases in insurance premiums, in addition to other needs, will alter the calculation for many homeowners and incentivize them to remain part of their communities during New Jersey’s recovery and rebuilding effort and beyond. The resettlement program is open only to those who have registered with FEMA and have received damage to their homes.

Allocation for Activity: \$180,000,000 to benefit up to 18,000 owners. Initial phase will be allocated 60% for LMI households and 40% for non-LMI households.

Maximum Award: \$10,000

Eligible Applicants: Homeowners whose primary residence sustained major and severe damage from Superstorm Sandy. The residence must be located in one of the nine most impacted counties.

Eligibility Criteria:

- Homeowner must have owned and occupied the home at the time of the storm
- Home must have served as primary residence
- Home must have sustained a FVL of \$8,000 or greater or more than one foot of flooding on the first floor (Determined by FEMA or third party verification determined relevant by DCA, such as FEMA affiliated recovery partners, including: SBA damage inspection; National Flood Insurance Program NFIP property damage assessment; verified private insurance property damage estimates, and determinations by the local Flood Plain Manager).



Controls to Ensure Compliance with Program Guidelines:

- Prior to funds being released, threshold eligibility criteria have been validated
- Prior to funds being released, the homeowner will sign a promissory note to reside in the county for three years or funds will be repaid to the State
- The State will initiate monitoring of the incentive award within six months of award to ensure that the homeowner is meeting the terms of the agreement

Criteria for Selection:

- First received, first evaluated
- Initially, 60% of the funds are reserved for LMI income families in accordance with HUD income guidelines

Determination of Reasonable and Necessary Incentive Award Amounts: HUD requires all CDBG Disaster funds be justified as “reasonable” and “necessary.” Based on the continued uncertainty of homeowners who face the costs of increased mitigation measures, insurance premiums and questions about the viability of the most impacted areas which are still recovering, the resettlement incentive award is both a reasonable and necessary investment in the recovery.

National Objective: Low and moderate income, urgent need

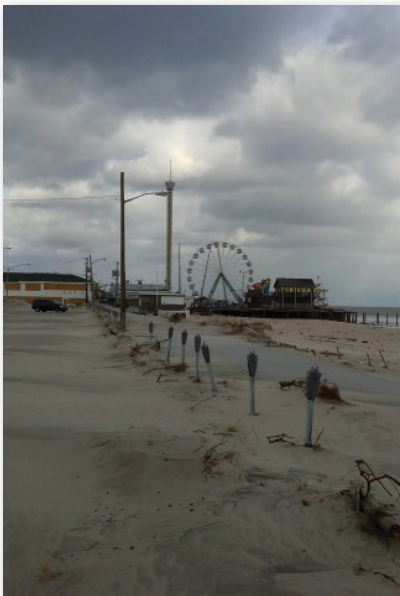
Eligibility: Federal Register-5696-N-01

4.2 Rental Housing and Renter Programs

New Jersey is proposing a range of rental housing activities designed to (1) replenish the stock of rental housing lost due to Superstorm Sandy, (2) rehabilitate and restore affordable rental units left uninhabitable by Sandy, (3) restore rental housing inventory that received the majority of damage to rental property and (4) provide affordable housing for special needs populations. In recognition of the breadth of damage inflicted by Superstorm Sandy, at least 80% of the rental allocation will fund projects to address the need for affordable housing in the nine most impacted counties as determined by HUD. Further, priority will be given to projects serving communities most impacted within these counties, as detailed in the unmet needs assessment in Section 2. Additionally, the State recognizes that rental housing needs have pushed displaced residents to other areas of the State, which increases demand in those areas and could result in rental shortages. Therefore, the State remains committed to provide funding for much-needed rental housing in these areas as well.

The program will restore or create a variety of rentals from “1 to 4 unit” buildings to large multi-family housing developments. Such an approach will involve a range of construction models from new construction to substantial rehabilitation of foreclosed or vacant properties to moderate rehabilitation of buildings that are currently uninhabitable but could be brought back to code with targeted repairs. New Jersey will take a holistic approach to this important facet of recovery, taking stock of existing rental housing resources (e.g. LIHTC, HOME, CDBG, Section 8 Vouchers, Tax Exempt Bonds, Federal Home Loan Bank, Conduit Bond Financing) and leveraging them, when appropriate, with this funding. In keeping with this approach, New Jersey will utilize the State’s existing array of governmental agencies and the legal powers/authority they hold, including DCA, NJHMFA, the New Jersey Redevelopment Authority, and the Department of Human Services (DHS) and other public housing authorities, to oversee and deliver rental housing recovery efforts.

While the State will directly oversee all disaster recovery rental housing efforts, private and nonprofit partners will be utilized, when appropriate, to perform particular program functions.



In addition to expanding the supply of affordable rental housing, these initiatives will create both construction and permanent jobs, provide a new platform for commercial development in neighborhoods left devastated by Superstorm Sandy, and better link housing to employment opportunities. Rental housing activities will be in compliance with all Fair Housing Act requirements to ensure that special needs populations are served and will include an initiative to promote the creation of permanent supportive housing for that purpose. The programs will require affordability controls for at least the minimum period required by federal regulations. Program activities including Low Income Housing Tax Credits (LIHTCs) will require an affordability period as prescribed by the LIHTC regulations, or as required by the New Jersey Housing and Mortgage Finance Agency.

The rental housing programs will promote sustainable communities and help to protect the environment by requiring the incorporation of green building technology and energy efficient development. Reconstruction and rehabilitation of rental housing will meet modern building standards such as:

Reconstruction Standard: When applicable, replacement and new construction will meet the 2009 Residential International Code and the green building standards by requiring compliance with ENERGY STAR™.

Rehabilitation Standard: When applicable, the programs will adhere to the following housing rehabilitation standards:

- Chapter 23 of the State of New Jersey’s Uniform Construction Code, Subchapter 6: Rehabilitation Subcode
- The HUD CPD Green Building Retrofit checklist

All reconstruction, new construction and rehabilitation must be designed to incorporate principals of sustainability, including water and energy efficiency, resilience, and mitigating the impact of future disasters. The rental programs, as applicable, will also provide reimbursement for eligible expenses, or pre-award cost, as in line with CPD-13-038 guidance, July 30, 2013.

4.2.1 Fund for Restoration of Multi-Family Housing

The fund will provide multiple funding mechanisms to facilitate the creation of quality, affordable housing units to help New Jersey recover from the loss of multi-family housing. CDBG-DR funds will be provided as zero- and low-interest loans to qualified developers to leverage 9% and 4% low income housing tax credits, tax-exempt bonds and stand-alone financing to support development. Development may include new construction, conversion of vacant commercial/ industrial buildings, or substantial rehabilitation of uninhabitable dwellings. In addition, a portion of the fund will be used to assist in the development of new permanent supportive housing units for people with special needs as well as public housing and other federally-supported housing. Funding will be allocated to the individual program components within the fund as needed in order to maximize the effectiveness of the fund and ensure that those with the greatest needs are assisted as rapidly as possible.

- The first component of the fund will leverage zero- and low-interest CDBG-DR loans with 9% low income housing tax credits in order to stretch both funding sources and to create projects that accomplish several goals. The program will follow the model New Jersey established several years ago with its HOME Express and State Balanced Housing Programs and incorporate several features that proved effective in Louisiana’s “Piggyback Program.”
- The second component will combine zero- and low-interest CDBG-DR loans with the State’s allocation of tax-exempt bonds and 4% low income housing tax credits to create or rehab affordable housing units. The program will incentivize developers to produce mixed income buildings providing opportunities for the full spectrum of New Jersey’s citizens including extremely low income households usually overlooked in traditional tax credit projects; households with incomes between 60% and 80% of AMI (not eligible for tax credit assistance) and market rate tenants.
- The third component will be a program that utilizes stand-alone CDBG-DR funds to provide zero- and low-interest loans to create new multi-family projects that will be safer, stronger, and more resilient.
- These funds may be used in conjunction with tax credits or stand alone.
- Finally, in order to address the need for repairs in public housing and other federally-funded housing, the State has established a set-aside of \$20,000,000 to provide the necessary resources to support repairs to damaged public housing units, damaged federally-owned housing units, damaged HUD assisted multi-family housing. The State will continue to review the unmet needs of public housing and will allocate an appropriate level of future funding.

Allocation for Activity: \$179,520,000

Maximum Award: \$120,000 per unit **Eligible Applicants:** Private for-profit and nonprofit housing developers and public housing authorities capable of developing and managing large multi-family developments

Eligibility Criteria:

- The projects must help replenish the supply of affordable rental units lost in the nine most impacted counties, or other areas deemed priority by the State

4.2.2 Fund for Rehabilitation of Small Rental Properties

More than 70% of rental properties in the most impacted areas have less than 20 units. Often, this rental type is provided by a homeowner that has an extra unit that contributes rental income to the owner, or by landlords with fewer than 25 properties. As a way to rebuild important rental assets in keeping with the neighborhood fabric, the small rental fund will provide zero interest forgivable loans to existing and new owners of rental properties with 1 to 25 units requiring significant rehabilitation. This program will produce additional rental units in areas facing severe shortages. It will also work to alleviate blight in some of the areas that were hit hardest by the storm. Properties with mold remediation needs will be prioritized. Priorities will also be set for properties of seven or fewer units and units for special needs populations regardless of unit count under the program cap.

The small rental fund will provide zero percent forgivable loans to “original” or new owners of small rental properties that received significant damage through Superstorm Sandy. To qualify as an original owner, the owner must have owned the property continuously from the time of the storm until the time of application for assistance. Eligible new owners include those entities that: (1) purchased the property after the storm or have an option to purchase, or other suitable form of

site control for an eligible property that received a significant amount of damage during the storm; and, (2) wish to exercise that option in order to rehabilitate the property. First priority will be given to properties with less than eight units and properties serving certain special needs populations which typically are four units or less.

Allocation for Activity: \$70,000,000

Maximum Award: \$50,000 per unit

Eligible Applicants: Existing and new owners of small rental properties damaged by Superstorm Sandy

Eligibility Criteria:

- Properties must have 25 units or less
- Owners will have to certify that the property is used for year-long rental housing, and not as a second home
- Units must be targeted to low and moderate income households
- Rents may not exceed 30% of income for a household earning 80% of AMI
- Projects must have received damage from Superstorm Sandy and must now require rehabilitation or contain a number of units that are in need of rehabilitation

Criteria for Selection:

- Demonstrate that the building or unit will be brought up to code using an award that is within the funding limits of the program component
- Properties with seven or fewer units and properties containing units for special needs populations will have priority for funding in the program. Properties larger than seven units that do not contain units reserved for populations with special needs may receive funding through this program after all qualified properties with seven or fewer units and those properties with units reserved for populations with special needs are awarded. Varies by program components within the fund (please see below)

Eligibility: Section 105(a)(4) HCDA

National Objective: Low and moderate income benefit for housing

Project Size/Building Type: All projects must have 25 units or less.

Developments with smaller buildings containing more than 25 units in total are ineligible.

4.2.3 Housing Programs for Targeted Development Areas

Superstorm Sandy caused statewide damage and destruction of property and infrastructure and displaced thousands of households. The storm also impaired the economic vitality of heavily impacted communities and threatens to substantially reduce local tax revenues in those communities. New Jersey 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. These programs will also continue to address the unmet housing needs resulting from the loss of owner occupied homes, the loss of affordable rental housing, and the storm's impact on populations with special needs, all in ways that reduce the possibility of loss from future storms.

4.2.3.1 Predevelopment Fund for Affordable Rental Housing

The fund would provide financing to help nonprofit developers cover the pre-development costs of properties that are unsafe, underutilized, or in foreclosure. This program offers support at the early stages of development to allow nonprofit developers to complete site preparation work as well as work to finalize construction and permanent financing. The fund will cover costs related to pre-development including feasibility studies, architectural costs, environmental and engineering studies, legal costs, or other eligible soft costs.

This program would help target areas of redevelopment in which New Jersey is working with local leadership to meet the development needs of the municipality in the aftermath of the storm. This program will facilitate the development of real property deemed unsafe or counterproductive to the welfare (including economic welfare) of its residents.

Allocation for Activity: \$10,000,000

Eligible Applicants: Nonprofit developers

Eligibility Criteria:

- Projects must aid in the process of preparing a site for development
- Projects must create new affordable rental housing developments
- Projects must help to revitalize a community that has been directly or indirectly impacted by Superstorm Sandy

Criteria for Selection:

- Nonprofit developers
- Projects must meet the program's underwriting and feasibility standards

Maximum Award: \$500,000

Eligibility: Section 105(a)(12) HCDA

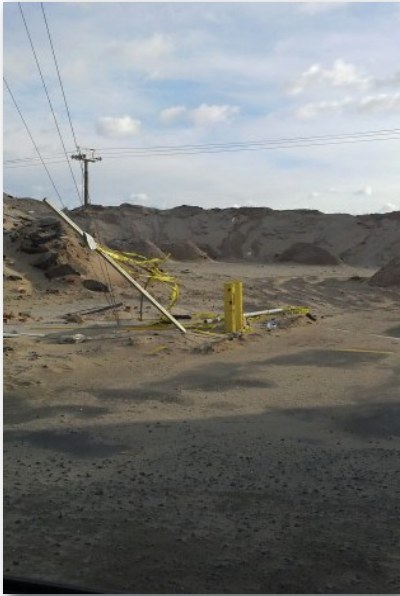
National Objective: Low and moderate income, and urgent need

Cost Effectiveness: All projects will be individually underwritten so as to minimize the amount of public funds spent to deliver the proposed development

4.2.3.2 Blight Reduction Pilot Program

The Blight Reduction Pilot Program will provide zero percent loans to eligible nonprofit and for-profit developers to purchase and rehabilitate foreclosed, vacant or abandoned properties in targeted communities. The program will support efforts to develop a mixed-income model of rebuilding to prevent concentrations of poverty and rebuild strong neighborhoods. The program will encourage

development of affordable rental or homeownership housing in the nine most impacted counties as well as areas deemed priority areas throughout the State. The program is designed to alleviate the shortage of rental and for-sale housing and potential blight caused by the storm. The properties may be rented, developed as lease-to-purchase, or provide homeownership opportunities for low and moderate income households.



Allocation for Activity: \$30,000,000

Maximum Award: \$250,000

Eligible Applicants: Nonprofit and for-profit developers

Eligibility Criteria:

- Project must provide housing for households that are LMI
- Units must be affordable at 30% of the gross income of the resident applicant
- Properties must have an unaddressed funding need to bring the structure into compliance with all building code ordinances
- Properties may have seven units or less
- Projects must be feasible within funding caps and underwriting standards
- The Blight Reduction Pilot Program will adhere to the housing reconstruction and rehabilitation standards previously noted

Criteria for Selection: Impacted areas that are viable but threatened and in need of rehabilitation

Eligibility: Rehabilitation: Section 105(a)(4) HCDA, New Construction: FR-5696-N-01(VI)(B)(28)

National Objective: Low and moderate income, alleviate slum or blight, and unmet need

4.2.4 Programs for Immediate Housing Needs

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 for units will be provided based on the level of affordability mirroring the federal Section 8 project-based methodology. 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 payable by the household may not exceed 30% of income for a household earning 80% of AMI; rents payable by the household may not exceed 30% of income for a household earning 50% of AMI for deeply affordable units

Criteria for Selection:

- First received, first evaluated

Eligibility: FR 5696-N-01

National Objective: Low and moderate income

4.2.5 Sandy Home Buyer Assistance Program

Superstorm Sandy depleted both owner-occupied and rental housing stock, causing rents to increase. The Sandy Home Buyer Assistance Program will provide low and moderate income households the opportunity to purchase a home by providing financial incentives to do so, effectively creating first time home buyers from renters. The program will not only provide an affordable alternative to leasing, but will create a market for rebuilt and restored homes. The program will be administered by the New Jersey Housing and Mortgage Finance Agency.

Allocation for Activity: \$25,000,000

Eligible Applicants: Potential LMI home buyers

Eligibility Criteria:

- Home buyers must have a credit score of 620 or higher
- The loans will be restricted to LMI households, and will be secured by second mortgages that will be forgiven over a five year period

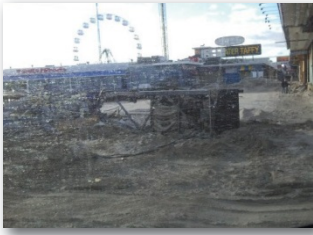
Maximum Award: \$50,000

Eligibility: 105(a)(24)

National Objective: Low and moderate income

4.2.6 Sandy Special Needs Housing Fund

Because of the storm's impact on housing that accommodates special needs populations, as well as victims of domestic violence, a direct allocation will be made to the New Jersey Housing and Mortgage Finance Agency to operate a fund in a manner similar to the New Jersey Special Needs Housing Trust Fund dedicated to the construction of quality, permanent supportive housing throughout New Jersey to expand housing options for these groups.



Proposed economic revitalization activities are intended to enable a broad spectrum of activities to support the varied needs of communities recovering from the disaster.



Types of eligible resiliency items are structural retrofitting and non-structural retrofitting (e.g., storm shutters, hurricane clips, bracing systems) of existing structures to meet or exceed applicable building codes relative to hazard mitigation.

Under the recent Olmstead Lawsuit settlement, the State will continue its progress in moving people with developmental disabilities from residential developmental centers to community placements. Placements are selected in consultation with residents, family members and guardians. As of this writing, 427 individuals have indicated a location preference when appropriate housing becomes available. A number of these individuals have expressed the desire to be near family or to return to their hometowns, which include storm impacted communities. A State and local government partnership created to respond to the facility closings and expand the supply of supportive housing for people with disabilities is scheduled to deliver over 300 beds in 75 three or four bedroom ranch style homes in the coming months. In addition, the State's Low Income Housing Tax Credit Qualified Allocation Plan encourages special needs units in new development. Based on the spending rate of the State's recently depleted Special Needs Housing Trust Fund, the State can expend \$25,000,000 within two years.

Allocation for Activity: \$25,000,000

Eligible Applicants: For-profit and nonprofit developers with demonstrated housing development experience

Affordability Restrictions: Units will be deed restricted

Eligibility Criteria:

- Developer must demonstrate that the Special Needs Housing Fund dollars can be fully expended within the allowable time frame (two years)
- 75% of the fund will benefit households at or below 30% of the Area Median Income. The remaining 25% will benefit households with gross income between 30% and 80% of the Area Median Income
- Financing will be structured as an amortizing loan. Cash flow loans may be available for projects that cannot support an amortizing loan as determined by the New Jersey Housing Mortgage and Finance Agency
- Loans cannot exceed 80% of total development cost. For 100% special needs projects the maximum loan amount is \$2,500,000. For mixed occupancy the maximum loan amount is \$100,000 per unit

Eligible Uses: Capital financing for acquisition of land or buildings, rehabilitation of existing buildings or new construction

Eligibility: Section 105(a)(8) HCDA

National Objective: Low and moderate income and urgent need

4.3 Economic Revitalization

Assisting communities in economic recovery and revitalization is imperative. Many of New Jersey's small businesses sustained physical damage during the storm and/or short-term and long-term economic losses. These losses are compounded by

damage in the housing and infrastructure sectors. Moreover, the vast majority of impacted small businesses have substantial unmet needs, perhaps best reflected by the fact that 93% of SBA business applicants to date have been denied.

The State has developed programs to assist in satisfying many of the unmet needs of the small business sector. In addition to activities which only serve to alleviate direct damage caused by the storm, the State will provide funding for activities that restore and improve local economies.

New Jersey will utilize the economic revitalization activities allowed under CDBG-DR to support the resurgence of the economy at the local and State level. For purposes of the programs detailed herein, economic revitalization is not limited to activities that are “special economic development” activities under the HCD Act, or to activities that create or retain jobs. For CDBG-DR purposes, economic revitalization can include any activity that demonstrably restores and improves some aspect of the local economy. Thus, an eligible activity also may address job losses, or negative impacts to tax revenues or businesses. All economic revitalization activities must address an economic impact(s) caused by the disaster (e.g., loss of jobs, loss of public revenue).

Proposed economic revitalization activities are intended to enable a broad spectrum of activities to support the varied needs of communities recovering from the disaster. Activities supporting the business sector may include small business financial and technical assistance, commercial redevelopment or enhancement, special economic development projects, workforce training, wage subsidies, tourism marketing, planning for economic growth and other activities to catalyze the State’s economic recovery. Because of a wide variation in the structure of industries in these sectors, there is no common size or standard pattern.

New Jersey small businesses are the backbone of the State’s economy. According to SBA statistics, 98.4% of the businesses in the State are classified as small. Most are very small with less than 20 employees. Nearly 76% are one person businesses. In keeping with HUD’s requirement, recovery resources are only used to support small businesses.

Eligible activities also may include infrastructure development for economic purposes as well as mitigation and resiliency to protect and strengthen investments. It is through this comprehensive approach to revitalization that the State will be able to support its communities as they rebuild and grow. Funds will not be used to cover economic loss.

An initial allocation of \$460,000,000 will support programs developed by the New Jersey Economic Development Authority (NJEDA), an independent state authority whose primary mission is to strengthen New Jersey’s economy by retaining and growing businesses through financial assistance and by renewing and revitalizing communities. NJEDA proposes a multi-pronged approach to ensure the businesses in New Jersey’s most impacted areas are provided the support they require, including:

- Direct financial support to small businesses to satisfy unmet needs
- Financial support to impacted communities for economic revitalization efforts
- A comprehensive, national, marketing campaign to prevent further economic loss to the State’s tourism industry by informing the public that New Jersey’s tourism assets are open and visitors are welcome
 - The economic revitalization programs, as applicable, will also provide reimbursement for eligible expenses, or pre-award cost, as in line with CPD-13-038 guidance, July 30, 2013.

As noted in Section 2.3 of this Action Plan, HUD, in its methodology for assessing economic unmet needs, acknowledges that there is a substantial gap in the financial assistance needs of small businesses and the ability for initial federal recovery resources to cover these needs. Initial programs developed by the State will be aimed at rapidly providing funds for operating expenses and commercial rehabilitation to small businesses that are experiencing time-critical cash flow issues resulting from the storm. Financial assistance will also provide catalytic resources to small and medium-sized businesses to support economic recovery. Funds will also be used for economic revitalization activities to grow local economies. Additionally, funding is to be provided to fuel economic revitalization activities to promote the growth of local businesses together with other eligible uses.

According to data from a State conducted survey, 64% of the surveyed businesses suffered \$50,000 or less in damage (Table 4-2). As a result, the State proposes using \$260,000,000 of CDBG-DR funds to provide grants to small businesses up to \$50,000 to address unmet needs.

Based on New Jersey Economic Development Authority’s (“NJEDA”) experience with construction and non-construction costs incurred by businesses, the State also proposes a zero-interest loan program that would provide loans up to \$5,000,000 to address storm damage not addressed by the grant program and to promote economic revitalization activities. Assuming an average loan of \$1,000,000, this program is expected to benefit approximately 100 businesses. With the grant and loan programs, the State also allocates \$75,000,000 for community revitalization projects based on need that will spur economic growth, and allocates \$25,000,000 for a tourism marketing campaign to bolster that vital sector of the State and local economies.

The funding limits identified for the following programs to be administered by NJEDA are considered suggested amounts and may be reallocated among these programs based on demand and need. Future allocations may be dedicated to other entities such as the New Jersey Redevelopment Authority and the Casino Reinvestment Development Authority.

4.3.1 Grants and Forgivable Loans to Small Businesses

With a focus on the most impacted communities throughout the State, New Jersey will offer aid through grants of up to \$50,000 to small businesses which sustained physical damage from Superstorm Sandy.

Table 4-2 Impacted Businesses Estimated Value of Loss

\$10K or less	512	30%
\$10K-\$25K	366	21%
\$25K-\$50K	221	13%
\$50K-\$100K	206	12%
\$100K-\$250K	198	11%
\$250K-\$500K	110	6%
\$500K-\$1M	24	1%
\$1M or greater	63	4%
N/A	35	2%
Total	1,735	

Source: State survey of storm impacted businesses

Eligible uses of funds include costs related to rehabilitation, new construction, equipment, inventory, mitigation, refinancing, flood insurance and working capital. The working capital and other uses may be structured as forgivable loans. In following HUD's recent guidance, funds may not be used to recover financial losses from the storm.

This assistance will provide impacted small businesses with the low-cost, flexible capital that they need to resume and sustain their businesses in the months and years following Superstorm Sandy. Financial assistance under this program will be focused in geographic areas determined as storm-related priorities for the State. Other priority areas may be determined by the NJEDA as relevant to economic recovery. This program will assist supporting the long-term recovery of businesses by enabling them to repair damage and access working capital to stabilize their business operations function, return to profitability, and retain or hire new employees, thus contributing again to the State's economy.

All business types may receive this benefit with the exception of uses customarily prohibited. Types of businesses served may be limited based on additional criteria. 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. Nonprofits undertaking commercial/industrial activities or operating a public facility may also be eligible for rehabilitation, construction, or reconstruction assistance and may be subject to alternate criteria.

Allocation for Activity: \$260,000,000

Maximum Award: \$50,000. The actual award will be based on EDA's underwriting and feasibility standards.

Eligible Applicants: Small businesses and nonprofits, NJEDA will require businesses to demonstrate need for assistance

Eligibility Criteria:

- Businesses and nonprofits that sustained a minimum of \$5,000 in physical damage by Superstorm Sandy
- Businesses meeting the definition of small business at 13 CFR part 121 with a minimum of \$25,000 and a maximum of \$5 million in annual revenues
- Home-based businesses excluded

Criteria for Selection: First-come, first-served

Eligibility: Section 105(a)(14), (15), (17), (22) HCDA

National Objective: Low and moderate income, alleviate slum or blight, and urgent need

4.3.2 Direct Loans for Impacted Small Businesses

To further assist impacted small businesses in New Jersey in the short term, NJEDA will offer access to capital through low-cost loans to credit-worthy businesses. The products offered will be in the form of direct loans to businesses through NJEDA



To assist impacted businesses in New Jersey, NJEDA will offer access to capital through no cost loans to credit-worthy businesses.

in amounts up to \$5,000,000. These loans are intended to assist businesses that suffered physical damage as a result of Superstorm Sandy as well as spur economic revitalization by providing funding for expansion, and business relocation into storm-impacted areas. Eligible uses include, but are not limited to rehabilitation, expansion, new construction, acquisition, equipment, mitigation, refinancing, flood insurance, and working capital.

All business types may receive these loans with the exception of uses customarily prohibited, and may be further limited based on additional criteria determined by NJEDA and outlined in program guidelines. Nonprofits undertaking commercial/ industrial activities or operating a public facility may also be eligible for rehabilitation, construction or reconstruction assistance and may be subject to alternate criteria. Credit worthiness, contribution to community revitalization and other factors determining eligibility will be further outlined in programs guidelines.

Repaid loans under this product are intended to be revolved as loans for CDBG uses to continue to assist small businesses.

Allocation for Activity: \$100,000,000

Maximum Award: \$5,000,000. The actual award will be based on EDA's underwriting and feasibility standards.

Eligible Applicants: Small businesses and nonprofits. Businesses must meet the SBA definition of small business at 13 CFR Part 121.

Eligibility Criteria:

- Businesses and nonprofits that suffered physical damage during Superstorm Sandy and/or will develop projects that will contribute to community revitalization

Criteria for Selection: First-come, first-served.

Eligibility: Section 105(a)(14), (15), (17), (22) HCDA

National Objective: Urgent Need, Alleviate Slum/Blight, LMI Area Benefit depending on the location and the nature of the business, and/or LMI jobs

4.3.3 Neighborhood and Community Revitalization

Because of the severe damage to the economies of affected areas, NJEDA and DCA will support activities tied to the economic growth and revitalization of the affected areas. This program will support the long-term recovery of small businesses and communities by funding long-term economic revitalization priorities. It will also support businesses to return to profitability and retain or hire new employees thus contributing again to the State's economy.

- Public facility improvements; including but not limited to: streetscapes, lighting, sidewalks, other physical improvements to commercial areas, and other activities for transformative projects such as property acquisition, demolition, site preparation and infrastructure repair and installation
- Assistance to businesses for physical improvements to their places of business

- Assistance to small businesses, including micro-loans for Superstorm-related damage and working capital, loan guarantees for loan loss reserves, and technical assistance
- Façade and code-related improvements

These funds will be administered directly by NJEDA or DCA or awarded to other entities through notices of funds availability or competitive processes which may maximize the economic impact of innovative uses, “Greening of Communities” and other transformative aspects of redevelopment. Funds are anticipated to be prioritized for low and moderate income (LMI) communities. Eligible entities will include redevelopment agencies, municipalities, counties, businesses and nonprofits, including Community Development Financial Institutions (CDFIs), and may be in the form of grants and/or loans up to approximately \$10,000,000. Loan and technical assistance programs may be administered through New Jersey’s CDFI network as either sub-grantees or contractors. Funding described above is intended to revolve for CDBG purposes once loans are repaid, unless administered by a CDFI designated as a Community Based Development Organization (CBDO).

Allocation for Activity: \$75,000,000

Maximum Award: Up to \$10,000,000

Eligible Applicants: Eligible entities will include redevelopment agencies, municipalities, counties, businesses and nonprofits, including CDFIs and CBDOS

Eligibility Criteria: Financial assistance will support public facility improvements, including but not limited to: streetscapes, lighting, sidewalks, other physical improvements to commercial areas, and other activities for transformative projects such as property acquisition, demolition, site preparation and infrastructure repair and installation; assistance to businesses for physical improvements to their places of business; assistance to small businesses, including micro-loans for Superstorm-related damage and working capital, loan guarantees for loan loss reserves, and technical assistance; and façade and code-related improvements.

Criteria for Selection: Funds are anticipated to be prioritized for low and moderate income (LMI) communities

Eligibility: Section 105(a) HCDA all provisions

National Objective: Urgent need, alleviate slum and blight, LMI area benefit depending on the location and the nature of the business, and/or LMI jobs

Addressing the Needs of the Most Impacted and Distressed Areas: This program will support the long-term recovery of small businesses and communities by funding long-term economic revitalization priorities. It will also support businesses to return to profitability and retain or hire new employees thus contributing again to the State’s economy.

4.3.4 Tourism Marketing Campaign to Support Impacted Areas

As mentioned in Section 2.4.3, tourism is a critical industry to the State. Tourism contributes \$38,000,000,000 in revenues in New Jersey, of which summer tourism



Any significant loss in tourism would risk the future of thousands of small businesses along the Jersey Shore and other impacted areas.

A core part of the first year of the contract will be to design and implement a newly branded message for New Jersey to attract visitors and bolster consumer spending in Sandy-impacted areas.

Given the impacts of Superstorm Sandy in October 2012 on New Jersey tourism assets and long-term economic conditions, the State will develop a comprehensive marketing effort to promote within and outside the State that the impacted areas of New Jersey, including the Jersey Shore, is recovering or open for business.

along the New Jersey shoreline accounts for the majority. The national media coverage New Jersey received during Superstorm Sandy highlighted the devastating effects of the storm. Unfortunately, it also has left the misconception that the entire shoreline is devastated and closed to tourism. Any significant loss in tourism would risk the future of thousands of small businesses along the Jersey Shore and other impacted areas. Many of these businesses in the impacted areas are small services providers or retailers that also employ low and moderate income workers. Given this need, the State sought a waiver from HUD to market the vitality of the Jersey Shore and encourage tourism. That waiver was granted by HUD.

New Jersey will follow the example of the Lower Manhattan Development Corporation and the Louisiana Tourism Marketing Program by utilizing CDBG-DR funds to revitalize New Jersey's tourism and encourage consumer confidence in the impacted regions. Given the impacts of Superstorm Sandy in October 2012 on New Jersey tourism assets and long-term economic conditions, the State will develop a comprehensive marketing effort to promote within and outside the State that the impacted areas of New Jersey, including the Jersey Shore, is recovering or open for business.

This critical funding is needed as soon as possible to provide a powerful, positive impact on the large number of tourism-related jobs in the impacted regions. This campaign also will strengthen consumer confidence, helping to encourage conventions to commit to areas such as Atlantic City, which has seen a \$31,000,000 loss in convention business since Superstorm Sandy.

A campaign must be put into place by April 2013 to ensure vacationers understand that many of New Jersey's businesses are operational and that other shore assets will be ready for the Summer 2013 season. A campaign also must encourage New Jersey residents and those that visit our State to shop local, thereby supporting all the businesses that are operational and ready for business.

A core part of the first year of the contract will be to design and implement a newly branded message for New Jersey to attract visitors and bolster consumer spending in Sandy-impacted areas.

The State will initially allocate \$25,000,000 to support the first year of this marketing effort, specifically focused on Superstorm Sandy Recovery. Campaigns to support the tourism industry in 2014 and 2015 will be developed dependent on subsequent funding availability.

NJEDA will issue a competitive Request for Qualifications/Proposals for this Marketing and Outreach campaign, with the scope of services to include outreach/ sponsorship related to community events in the impacted areas, as well as a media campaign to include television/radio, digital media, print advertising, as well as out-of-home advertising (i.e., billboards).

Recovery Campaign Goals:

The goals and intended outcomes of the advertising and marketing campaign are:

- Stabilization or increase in tourism-related revenues in impacted areas for 2013 as compared to 2012

- Stabilization or increase in tourism-related employment in impacted areas for 2013 as compared to 2012
- Stabilization or increase in tourism-related tax revenues in impacted areas for 2013 as compared to 2012

The State Tourism Office collects annual statistics and will measure the return rate of tourism activity to the most impacted areas and the state.

The messaging of the campaign is envisioned as follows:

- The Jersey Shore is recovering or open, and visitors are welcome
- Restaurants and other businesses previously affected by Superstorm Sandy are open, fun, and ready for business
- New Jersey residents are encouraged to support impacted communities by shopping local

Allocation for Activity: \$25,000,000

Eligibility Criteria:

- The projected use of funds for marketing and outreach efforts will be focused as follows: Event and festival planning and sponsorship in impacted areas within New Jersey; advertising creation and media placement (television/radio/digital and out-of-home advertising) in targeted markets throughout New Jersey and nationally, with a focus on areas as noted above with a large base of New Jersey visitors
- New Jersey will issue a Request for Qualifications/Proposals through the Department of Community Affairs under the current procurement policies of New Jersey to select a qualified firm to undertake the services required to implement a marketing and outreach plan as described herein

Eligibility: Waiver requested and received FR-5696-N-01

National Objective: Urgent need, alleviate slum and blight, LMI area benefit

4.4 Support for State and Local Governmental Entities

4.4.1 FEMA Match for Public Assistance Program

The program will provide critical funding support to eligible applicants that lack resources to provide some, or all, of the FEMA required match for FEMA Public Assistance projects and other FEMA federally-funded recovery projects that require a cost share. The impact of Superstorm Sandy has placed an additional financial burden on governmental entities that are struggling to provide basic services.

CDBG-DR funds will be used to provide some, or all, of the match required under FEMA's Public Assistance Program and other FEMA federally-funded recovery programs that require a cost share. According to the federal notice (FR5696-N-01), the "funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity."

Allocation for Activity: \$50,000,000

Maximum Award: No limit **Eligible Applicants:** FEMA PA and other FEMA federal cost share Recipients; including State and local governments, governmental entities.

Eligibility Criteria: FEMA PA funded project and other FEMA federally recovery programs requiring a match or cost-share that are CDBG-eligible.

Criteria for Selection:

- Evidence that the project has been determined to be eligible and funded under the FEMA PA program and other FEMA-funded recovery programs.

Eligibility: Section 105(a)(2)(4)(8) HCDA and FR 5696-N-01

National Objective: Low and moderate income, and urgent need

4.4.2 Continuation and Enhancement of Essential Public Services to Facilitate Short-Term Sustainability and Long-Term Recovery

Financial assistance will be made available to local government entities in those instances where Community Disaster Loans are either unavailable or insufficient to fund the continuation of eligible essential public services such as police protection, fire protection, health and welfare (including public works, garbage collection/ disposal, and water/ and sewer), and education. Several municipalities and local government agencies have experienced, and will continue to experience, difficulties in meeting the demands and costs for critical public services as a result of the impacts of Superstorm Sandy. This program is targeted to fund essential public service needs existing after exhausting other federal and State resources available for the same purpose. Applicants will be required to seek a Community Disaster Loan prior to applying for funding.

Leveraging the State's authority to approve local budgets, the State will incorporate into its guidelines protections to ensure that municipalities do not use CDBG-DR funds as a substitute to cover expenses for essential services that could be funded through other available funding sources based on their existing budgets. The State will make available for inspection by HUD and the Office of the Inspector General documentation supporting the State's determination of eligible financial assistance for public services.

Allocation for Activity: \$60,000,000

Maximum Award: Will be based upon a financial review by the DCA's Division of Local Government Services. Staff will review requests for duplication of benefits and ensure that only the amount necessary for unmet needs will be granted.

Eligible Applicants: Counties, Municipalities, Authorities, Fire Districts, School Districts and other local government agencies providing essential services

Eligibility Criteria:

- Application must address a severe financial need in one or more of its public service functions, resulting from the impact of Sandy
- Application must aid in the short term recovery of those units of local governments most impacted by Superstorm Sandy and allow for appropriate

budget capacity to accommodate needs related to additional essential services to long-term recovery

Criteria for Selection:

- Completed Community Disaster Loan applications and FEMA action on applications that demonstrate a financial burden created by Superstorm Sandy that will jeopardize the delivery of essential government services
- The Community Disaster Loan is fully utilized, but is insufficient to sustain essential/critical applicant services, including: police protection, fire protection, health and welfare (including public works, garbage collection/disposal, and water/sewer), and education until local budgets have been stabilized
- The DCA has determined through a review of financial information, including Community Disaster Loan Applications, Introduced Budgets, and Annual Financial Statements that there exists an extreme hardship and the applicant will have to reduce or eliminate essential services unless assistance is provided to fund the public services
- The DCA shall issue, through its Division of Local Government Services, a Local Finance Notice explaining the program objective of ensuring essential services and setting forth program parameters to ensure transparency. Program parameters shall include minimum and maximum awards and a requirement to utilize funding for essential services that would otherwise be unfunded due to a disparity between essential service funding levels and the availability of Community Disaster Loan funds

Eligibility: 105(a)(8)/570.201(e) - Public Services. Provision of public services (including labor, supplies, and materials) including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, fair housing counseling, energy conservation, and welfare (but excluding the provision of income payments identified under 570.207(b)(4))

National Objective: Benefit to low and moderate income and urgent need

4.4.3 Code Enforcement Grant Program

Ensuring that homes are built safer and up to code is a precondition of effectively repairing and rebuilding the housing sector. The State is proposing to supplement local code enforcement offices with additional personnel, and related cost, both directly and through funds to individual municipalities to provide an online plan review and permitting process, increase the municipalities' capacity to respond to increased demand for zoning code and building code enforcement as a direct result of the damaged caused by the storm and the resultant increase in rebuilding activity, and to enhance the Department of Community Affairs' continuing education curriculum for code officials to include training in flood hazard mitigation practices and other storm-related code issues.

Allocation for Activity: \$6,000,000

Eligibility Criteria:

- Code enforcement must support local construction code officials related to the reconstruction and rehabilitation of buildings impacted by Superstorm Sandy

Superstorm Sandy had a severe impact on households that include individuals with special needs.

- Code enforcement must support the training of code enforcement officials in both preventive and mitigation measures
- Zoning code review and enforcement must support local governments to expedite the activities critical to addressing deteriorating properties and local reconstruction and rehabilitation efforts in areas impacted by the Storm.

Criteria for Selection:

- Code enforcement
- Training
- Online plan review and permits
- Staffing analysis
- Documentation of increased demand based on the number of damaged properties, as well as the volume of permit requests and applications for CDBG-DR funded residential and business construction activities in the municipalities.

Individual Grant Threshold: TBD

Eligibility: Section 105(a)(3) HCDA

National Objective: Low and moderate income, urgent need, and alleviate slum and blight

4.5 Supportive Services Programs

Superstorm Sandy had a severe impact on households that include individuals with special needs. The State will fund the Sandy Special Needs Housing Fund to provide capital subsidies for supportive housing development and allocate CDBG-DR funds to the Departments of Human Services, Health, and Children and Families to support the services these agencies provide to assist nonprofit organizations in addressing the needs of this population. State and Federal funding for community placements are available from both the Division of Developmental Disabilities and Division of Mental Health and Addiction Services. These funds are the source of the service dollars to support housing development under the Sandy Special Needs Housing Fund. This CDBG-DR allocation will complement the allocation of Social Services Block Grant Funds to maximize and not duplicate benefit.

4.5.1 Supportive Services Program

Lead Agency: DCA will administer the Supportive Services program to deliver grants for critical supportive services needs that have been increased as a result of the storm. In addition, the U.S. Department of Health and Human Services notified the New Jersey Department of Human Services of a \$226,000,000 Disaster Social Services Block Grant (SSBG) award. Eligible expenditures under Disaster SSBG include social service program delivery as well as repairs to health and social services facilities damaged by Superstorm Sandy. State departments, to include Human Services, Children and Families, Environmental Protection and Health, will share in the award. Each of the three departments currently receives funding under regular SSBG. Disaster SSBG will support social and health services targeted to the residents of New Jersey's most impacted areas of the State.

Allocation for Activity: \$10,000,000

Eligible Applicants: Department of Children and Families; Department of Health; Department of Human Services; and Department of Environmental Protection

Process: DCA will receive applications from eligible departments to serve persons with special needs

Eligible activities under this program include, but are not limited projects that:

- Provide funding to prevent homelessness among low income residents of the nine most impacted counties
- Develop education outreach in impacted communities on possible post-storm health risks
- Train public health and environmental health specialists to support health assessments in impacted communities
- Mitigation of environmental health concerns including West Nile Virus
- Mold remediation training
- Maintaining a database and systems for emergency communications
- Establishing protocols to better prepare medical needs shelters following natural disasters
- Case management
- Capital funding for group and transitional home development for individuals with disabilities and those at risk of homelessness
- Emergency homeless shelter replacement
- Capital grants for elderly, mobility disabled households, and institutions to provide accessibility features such as ramps, rails and elevators

Eligibility: Section 105(a)(8) HCDA

National Objective: Low and moderate income, alleviate slum or blight, and urgent need

4.6 Planning, Oversight and Monitoring

The State must certify and have in place proficient financial controls and procurement processes, adequate procedures to prevent any duplication of benefits as defined by Section 312 of the Stafford Act, processes to ensure timely expenditure of funds, maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, processes to detect and prevent waste, fraud, and abuse of funds, perform environmental reviews on every project and ensure all projects are compliant with the Uniform and Relocation Act, Davis-Bacon and other labor standards, Fair housing, Section 3, Part 85 and other federal laws. Appendix C reflects the anticipated expenditure projections for the first tranche of funds. HUD provides monies to the State for the operating costs associated with day-to-day management of programs. Proper oversight and administration ensures reduction in concerns or findings from HUD. Findings from the Federal Government can require repayment of CDBG Disaster funds back to HUD. Additional oversight and monitoring activities are described in Section 6.

The HUD appropriation regulation for the CDBG-DR funds requires the State to examine its goals and objectives to promote sound, sustainable long-term recovery planning that is informed by a post-disaster evaluation and coordinated with other local and regional planning efforts.

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. The State will provide up to \$2,500,000 for historic preservation, archeological and other mitigation studies as required by HUD for the implementation of programs.

Any planning assistance provided through CDBG-DR funds will be required to be coordinated within the framework of the New Jersey Statewide Hazard Plan and with other relevant functional land use and critical infrastructure investment plans. The state agency steering committee that coordinates statewide planning efforts will be charged with ensuring that this local and regional planning assistance is complemented with alignment of a wide range of State functional plans and regulations, as well as identifying available non-recovery fiscal resources to facilitate implementation.

Some of the funding will also be utilized to provide technical assistance to subrecipients receiving CDBG-DR funds so that recovery programs will be implemented efficiently, effectively and in compliance with the federal, state and local regulations. This includes ensuring coordinated and streamlined compliance with environmental and historical preservation requirements, which New Jersey's Department of Environmental Protection is actively working toward.

Allocation for Activity: \$84,000,000

4.7 Pre-Agreement Costs

New Jersey will follow provisions of 24 CFR 570.489(b) which permits the State to reimburse itself for otherwise allowable costs incurred by itself or its recipients, subgrantees or subrecipients (including public housing authorities) on or after the incident date of the covered disaster. Section 24 CFR 570.200(h)(1)(i) will not apply to the extent that it requires pre-agreement activities to be included in a consolidated plan. All the pre-agreement costs such as engineering, planning, administration, and program delivery are exempt from the environmental process in accordance to 24 CFR 58.34.

SECTION 5: PERFORMANCE SCHEDULE

When performance metrics are not met by service providers, penalties against those providers will be assessed.

To satisfy HUD guidance in the Federal Register (5696-N-01), New Jersey will amend its Action Plan within 90 days to provide detailed performance metrics. The performance metrics will be based on quarterly expected expenditures and outcomes. Anticipated performance and expenditure performance can be found in Appendix C. When performance metrics are not met by service providers, penalties against those providers will be assessed.

The Action Plan must contain estimated and quantifiable performance outcome factors. The below table illustrates the currently estimated outcomes per funding category. These estimates are preliminary and likely will change.

Factors that may affect performance measures include completing federally required environmental and historical reviews, contractor availability, weather, and availability of other funding sources. These and other potential factors will be important in finalizing and meeting proposed performance metrics. The State anticipates that HUD will provide flexibility to extend timelines based on these and other relevant factors. The State will also work closely with HUD to determine the fund draw schedules consistent with implementation and construction schedules identified in the Action Plan. At this time, the State of New Jersey is committing 100% of its allocation from this first tranche of CDBG-DR funding for the programs listed in this Action Plan. The State is requesting that HUD obligate 55% of those funds as of the approval of this Action Plan. As programs are activated and progress, the State will request additional draw downs of CDBG-DR funds from this first tranche.

Performance Metrics			
Program Category	Total Funding	Estimated Outcomes	
Homeowner Housing	\$780,000,000.00	26,000	Homeowners Assisted
Rental Housing	\$379,520,000.00	5,250	Rental Units Assisted
Economic Revitalization	\$460,000,000.00	10,000	Businesses Assisted
FEMA Match Program	\$50,000,000.00	2,000	Applicants for Assistance
Supportive Services	\$10,000,000.00	5,000	Individuals Assisted
Public Services	\$60,000,000.00	60	Governmental Agencies to Benefit
Code Enforcement	\$6,000,000.00	30,000	Home Inspections Completed
Administration/Planning	\$84,000,000.00		

SECTION 6: OTHER CRITERIA

Housing rehabilitation and reconstruction activities will be designed to achieve maximum energy efficiency to the extent achievable on a cost-effective basis, considering construction and operating costs over the life cycle of the structure.

6.1 Promotion of High Quality, Durable, Energy Efficient, and Mold Resistant Construction Methods

Newly constructed or substantially rehabilitated housing units must meet all locally adopted and enforced building codes, standards, and ordinances. New Jersey has adopted the 2009 International Residential Code, which provides for quality, durable, energy efficient and mold resistant construction. Housing rehabilitation and reconstruction activities will be designed to achieve maximum energy efficiency to the extent achievable on a cost-effective basis, considering construction and operating costs over the life cycle of the structure. Efficiency may be demonstrated through design based on LEED, ENERGY STAR™, and/or other comparable guidelines and rating systems. Construction methods should comply with local building codes and incorporate mold resistant construction materials.

6.2. Steps the State Will Take to Encourage Adequate, Flood-Resistant Housing for All Income Groups

New Jersey, by emergency order, has adopted FEMA's updated Advisory Base Flood Elevation (ABFE). Using these more current advisory maps provides residents and communities with FEMA's best available data for mitigating against the risk of future flood events. Further, the state will ensure compliance for use of its grants funds with the requirement that elevating or floodproofing new construction and substantially improved structures will be to one foot above the latest FEMA issued base flood elevation, in accordance with Executive Order 11988 and 24 CFR Part 55.

The State has adopted the following provisions for rebuilding stronger structures:

- **Advisory Base Flood Elevation Maps:** Adopts the height and construction requirements in FEMA's ABFE maps as a State standard for reconstruction. The ABFEs reflect the best available and most current scientific data.
- **Permits by Rule:** Allows property owners who rebuild to the ABFEs (plus one additional foot, as has been required by the New Jersey Flood Hazard Area Control Act) to do so via Permit by Rule. This should eliminate the need for thousands of property owners to apply for permits, saving them at least \$500 in permit fees plus the design and engineering costs associated with an application, and allowing them to begin reconstruction without waiting for review.
- **Wet Floodproofing:** Allows "wet floodproofing" for non-residential buildings. Wet floodproofing means that a building may flood but will structurally withstand the water, and enables reconstruction in urban areas in a safer and less costly manner than requiring elevations or dry floodproofing.
- **Foundation Requirements:** Prohibits certain building foundations from having only three walls, a potentially unsafe construction method.

6.2.1 Sea Level Rise

Per HUD guidance (FR-5696-N-01), New Jersey's Action Plan must account for and address sea level rise. New Jersey will incorporate, where applicable, appropriate mitigation measures and floodplain management throughout proposed programs.

6.2.2 Special Needs Populations

Currently, the State provides housing for special needs populations through the following agencies: the Department of Human Services, Department of Community Affairs, Housing and Mortgage Finance Agency, the Department of Veterans Affairs, and the Department of Children and Family Services. The State will implement a series of programs designed to afford special needs populations access to affordable, long-term housing.

6.2.3 Homeless and Special Needs Support

Based on the unmet needs identified in Section 2, the State has existing programs to support special needs populations, including: homeless populations, households at risk of becoming homeless, persons with disabilities, older adults, and other special needs. These programs include but are not limited to: residential services for group homes, apartments and family care homes, and programs to assist individuals who are homeless or at imminent risk of becoming homeless. The Department will continue to provide these services, focusing additional resources as appropriate to solve storm-related issues.

Emergency Shelter and Transitional Housing Needs of Homeless Individuals and Families: The State will work with FEMA to extend the deadline on the Temporary Sheltering Assistance program to ensure that families and individuals with longer-term rebuilding needs have access to safe and affordable temporary housing.

Actions New Jersey Will Take to Assist Homeless Persons Transition to Permanent Housing: The State currently has a number of programs to address special needs residents including the homeless. The special needs funding rounds in the Low Income Housing Tax Credits Program produce new permanent housing units for the homeless and other special needs populations. The Special Needs Housing Trust Fund is used to support the operation and provision of services in these developments. The CDBG-DR Rental Housing Programs support these efforts for the homeless as well as significantly increase the overall supply of affordable housing to help prevent homelessness.

Actions to Prevent Low-Income Individuals and Families with Children (especially those with incomes below 30% of area median) from Becoming Homeless: DCA provides a number of programs to support low-income families. Following the storm, the State made available an allocation of 1,000 Section 8 Housing Choice Vouchers to prevent low-income families from becoming homeless. The State also has a rental assistance program that is designed for low income populations.

Actions to Address Supportive Housing Services: The State has strong existing programs to produce and provide permanent supportive housing services. These

The State will implement a series of programs designed to afford special needs populations access to affordable, long-term housing.

services will be supplemented by new special permanent supportive housing projects to be developed through the CDBG-DR rental and housing programs. The State will provide permanent supportive housing “set asides” in the multi-family components by requiring developers to provide a certain percentage of their units for people with special needs. These new units will also be eligible for services provided by the Division of Mental Health and Addiction Services to ensure the best outcomes for tenants. Through its slate of housing recovery programs, the State will seek to increase its stock of permanent supportive housing units, which provide stable, permanent housing to the formerly homeless and those persons with special needs.

6.2.4 Public Housing and HUD Assisted Housing Support

As discussed in Section 2, a significant number of public housing units and federally funded housing units were damaged by Superstorm Sandy. Additionally, many Housing Choice Voucher recipients remain displaced. The State’s housing programs have given a priority with a \$20,000,000 set-aside to restoring damaged public housing and other federally funded or owned housing as needed. Additionally, the rental programs proposed in this plan will bring on line affordable units for persons of low and moderate income.

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.

6.3 Green Building

The State will require replacement and new construction to meet green building standards by requiring compliance with ENERGY STAR™. New Jersey will further encourage green building practices throughout all other proposed programs. New Jersey and its grantees can utilize the Center for Green Building at Rutgers University and its New Jersey Green Homes Remodeling Guidelines as a resource for green building practices. The New Jersey Green Home Remodeling Guidelines was funded with grants from the New Jersey Department of Environmental Protection and the United States Environmental Protection Agency. The Guidelines were developed with broad participation and the concurrence of an advisory group composed of residential building and remodeling professionals, interior designers, landscape architects, and experts in the field of green building and energy-efficient design.

Further, New Jersey has had several meetings with various agencies including Northeast Energy Efficiency Partnerships, U.S. Green Building Council (USGBC), International Code Council, New Jersey Chapter of USGBC, and New Jersey Chapter of American Institute of Architects (AIA) to develop a plan for encouraging sustainable community initiatives and implementing green building, energy efficiency and storm hazard mitigation measures.

6.4 Anti-Displacement and Relocation

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 State will ensure that the assistance and protections afforded to persons or entities under the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), and Section 104(d) of the Housing and Community Development Act of 1974 are available. The State plans to exercise the waivers set forth in Federal Register 5696-N-01 pertaining to URA and HCD Acts given its priority to engage in voluntary acquisition and optional relocation activities to avert repeated flood damage and to improve floodplain management.

6.5 Program Income

The State will comply with HUD requirements found in 24 CFR 570.489. In the event the State's activities generate program income, those funds, to the maximum extent feasible, shall be distributed before the State makes additional withdrawals from the Treasury.

6.6 Monitoring Standards and Procedures

DCA will oversee all activities and expenditures of the CDBG-DR funds. Existing State employees will be utilized and additional personnel and contractors may be hired to aid in the administration of, and to carry out, recovery programs. Not only will these personnel remain involved in ensuring that there are layers of financial control, they also will provide technical assistance to the State, and will undertake administrative and monitoring activities to better assure compliance with applicable requirements, including, but not limited to, meeting the disaster threshold, eligibility, national objective compliance, fair housing, nondiscrimination, labor standards, environmental regulations, and procurement regulations at Part 85.

Each activity funded will meet the disaster threshold and one of HUD's three national objectives, with emphasis on achieving the primary national objective of benefiting low and moderate income persons, and will be an eligible activity. DCA staff will perform the monitoring in accordance with a DCA CDBG-DR monitoring plan.

DCA will maintain a high level of transparency and accountability by using a combination of risk analysis of programs and activities, desk reviews, site visits, and checklists modeled after HUD's Disaster Recovery Monitoring Checklists and existing monitoring checklists used in monitoring regular program activities. DCA will determine appropriate monitoring of grants, taking into account prior CDBG-DR grant administration performance, audit findings, as well as factors such as the complexity of the project.

The primary purpose of the State's monitoring strategy is to ensure that all projects comply with applicable federal regulations and are effectively meeting their stated goals. The frequency and areas monitored will be determined by a risk analysis. All projects will be monitored at least once on-site during the life of the activity. The

results of monitoring and audit activities will be reported to the Commissioner of DCA.

The DCA will determine the areas to be monitored, the number of monitoring visits, and their frequency. Communities and State agencies will be provided training and technical assistance if requested, or if the DCA determines that in-house or on-site monitoring is needed.

The State will continue to follow all guidelines it uses to monitor projects funded under the regular CDBG program. The monitoring will address program compliance with contract provisions, including, but not limited to environmental reviews, fair housing, Section 3 compliance, compliance with the Davis-Bacon Act as well as other labor standard provisions, procurement regulations, fair housing and equal opportunity requirements, and compliance with the OMB A-87, program income, and other CDBG financial requirements. The State plans to retain all program income but may allow certain subgrantees and subrecipients to retain program income to continue eligible CDBG-DR activities. These policies and procedures are consistent with those used by HUD to monitor state-administered entitlement programs. All necessary environmental reviews shall be performed on each project prior to funding.

6.6.1 Administration and Staffing

Additional personnel and contractors will be hired to administer and carry out the CDBG-DR Program. DCA is establishing a Sandy Recovery Division focused on the administration of the recovery programs, consisting of more than 50 positions, who will coordinate with existing DCA divisions. Tasks will include ensuring overall program direction, financial controls, procurement, outreach and communications, compliance, information management, and recovery subject matter experts in program operations and budgets. In addition, DCA is developing detailed written process maps and program guidelines to direct the work of all staff and subrecipients for each program. DCA is adapting existing procedures to cover all crosscutting topics such as Davis Bacon, Fair Housing, Section 3 and file management for disaster recovery. The recovery staff will also provide technical assistance to grantees, and undertake monitoring activities to ensure compliance with applicable requirements. These regulations include, but are not limited to: fair housing, nondiscrimination, labor standards, environmental regulations, and procurement. DCA will expand upon its existing staff of over 900 employees and experience in managing CDBG, Section 8, NSP, Weatherization, and several federal and State community development, housing, and local government programs.

In accordance with New Jersey Executive Order No. 125, Accountability Officers will be appointed to oversee the responsible disbursement and utilization of federal reconstruction resources allocated by or through each department. Each Accountability Officer will serve as a liaison to the Governor's Office of Recovery and Rebuilding and to the State Comptroller. Internal auditors will monitor and review for compliance with federal and state laws and regulations. Internal auditors will report directly to the Commissioner of DCA.

Technical assistance or training will be provided to sub-recipients and State agencies on regulations, reporting requirements, and payment procedures for funds awarded for disaster recovery.

6.6.2 Reporting

Each awarded applicant will report information necessary and relative to the status of its activities, and other information as required by HUD. Additional reporting requirements (i.e., annual audits, contractual obligations, labor and minority business enterprise reports, as applicable) will be specified in the contract documents.

6.6.3 Prevention of Duplication of Benefits

As provided by the Stafford Act, duplication of benefits is prohibited in accordance with the HUD Federal Register 5582-N-01. DCA will continuously monitor, or cause to be monitored, for compliance with this requirement. FEMA, National Flood Insurance Program, private insurers, the U. S. Army Corps of Engineers, SBA and other agencies will be contacted and data sharing agreements put into place to ensure that there is no duplication of benefits occurring within the various programs.

6.6.4 Floodplain Restrictions

Floodplain restrictions will be monitored closely. Funds may not be used for persons who have received previous federal assistance (including loans) where the purchase and maintenance of flood insurance was a requirement, and the individual has allowed his or her flood insurance to lapse. In addition, all grantees must inform participating property owners of any future requirements related to the purchase and maintenance of flood insurance.

No funds will be used for activities in areas delineated as a Special Flood Hazard Area in FEMA's most current flood advisory maps unless it also ensures that the action is designed or modified to minimize harm to, or within, the floodplain.

6.6.5 Additional Steps To Avoid Occurrence of Fraud, Abuse and Mismanagement

On February 8, 2013, Governor Chris Christie signed Executive Order No. 125 concerning the monitoring and oversight of federal reconstruction funds. The Executive Order directed all Executive Branch departments administering federal reconstruction resources to follow a framework that will provide comprehensive and stringent safeguards to make certain all federal resources are utilized through an ethical and transparent process. Such safeguards include:

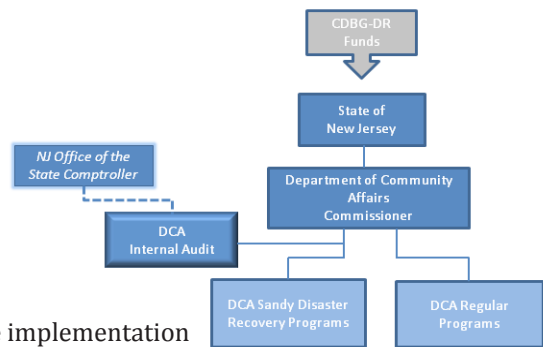
- Each principal department of the State shall submit all potential State procurements involving expenditure of federal reconstruction resources to the New Jersey Office of the State Comptroller for review prior to commencement of the procurement process. The State Comptroller shall determine whether the proposed procurement process complies with applicable public contracting laws, rules and regulations. Pursuant to its enabling legislation, the State Comptroller's Office is an independent office that is charged with evaluating the efficiency, effectiveness and transparency of all government entities and to identify and eliminate fraud, waste and abuse throughout State and local government.

- Each principal department and agency of the State is directed to appoint an “Accountability Officer” to oversee the responsible disbursement and utilization of federal reconstruction resources allocated by or through that department or agency. Each Accountability Officer shall serve as a liaison to the Governor’s Office of Recovery and Rebuilding and the State Comptroller.
- The New Jersey Office of the State Comptroller shall maintain a transparency website that will provide access to approved State contracts for the allocation and expenditure of federal reconstruction resources. The website also will provide information to the public regarding available federal funding streams and funding criteria, the tracking of federal funding allotments, and contract vendor information.

The State will adhere to the conflict of interest provisions referenced at 24 CFR 570.611.

To establish an effective system of internal control and a program of audit and evaluation to provide assurances and safeguards concerning DCA’s disbursement of federal reconstruction funds, DCA’s Office of Auditing, in conjunction with other departmental personnel, will conduct a thorough and comprehensive enterprise-wide risk assessment related to federal reconstruction funds every six months. The organizational diagram of DCA’s Internal Audit office is shown below. The risk-assessment will serve as the basis for the audit and compliance plans which will address the following:

- Audit paper application files for anomalies through risk-based judgmental sampling.
- Evaluate and test selected internal controls, including IT-related controls.
- Deliver training to all staff responsible for monitoring or administering federal reconstruction funds that will focus on the identification of risk factors and fraud indicators, and the implementation of a system of internal controls that provides reasonable assurances that funds are being administered in accordance with law, code and policy. The training sessions will emphasize that sound internal controls require the efforts of all departmental personnel, not only auditors and compliance staff.
- Ensure that anti-fraud brochures and posters that include a fraud tip-line to the State Comptroller’s Office are distributed and prominently displayed throughout the department, satellite offices and construction sites.
- Coordinate with applicable Federal, State and Local law enforcement authorities concerning the disbursement of federal reconstruction funds.



- Implement a comprehensive and effective compliance program that includes: investigative protocols, whistle-blower procedures, and a process to refer matters to local, state and federal authorities.
- Ensure that DCA's auditing, monitoring and evaluation process effectively mitigates the risk of fraud, waste and abuse and the disbursement of reconstruction funds is transparent to all stakeholders.

6.7 Increasing Capacity at the Local Level

Technical assistance and training will be provided to sub-recipients and State agencies with a role in administering and implementing CDBG-DR programs. These include the Departments of Environmental Protection, Human Services, Children and Families, Health, the Economic Development Authority, the New Jersey Redevelopment Authority and the Housing and Mortgage Finance Agency. Through both in-house staff and engaged consultants, DCA will provide initial training to all subrecipients and grantees on CDBG-DR regulations, reporting requirements, payment procedures, and monitoring compliance. DCA will also assign disaster recovery program staff to each subrecipient to provide continued Technical Assistance (TA) throughout the program. Additionally, the compliance and monitoring staff and/or consultants will regularly visit subrecipients to enhance capacities and ensure knowledge transfer.

Applications and guidelines for local government programs will be issued by DCA. Other State or federal agencies will be asked to review and comment on applications, as appropriate.

6.8 Substantial Amendments to Action Plan

The following events would require a substantial amendment to the Action Plan:

- Change in program benefit or eligibility criteria
- A new allocation or re-allocation of more than \$1,000,000
- The addition or deletion of an activity

A substantial amendment to the New Jersey Action Plan will follow the same requirements as the publication of the original action plan in accordance to the Citizen Participation Plan.

6.9 Citizen Participation

Citizen participation is an essential component of the State's planning effort. The State strongly encourages public participation to identify community needs. Citizens and other stakeholders are given an opportunity for reasonable and timely access to information and comment period relating to the Action Plan, any ensuing substantial amendments, and the use of CDBG-DR Funds under the Disaster Recovery Program.

The State is committed to providing access to the Action Plan programs for all its citizens. These efforts include special consideration for those with limited English proficiency (LEP) and persons with disabilities. The State performed the

four-factor analysis prescribed in the Federal Register 72 FR 2732. As a result of the analysis, the Action Plan and any ensuing substantial amendments will be published in both English and Spanish. Key participant documents such as application forms will also be available in both English and Spanish. No language other than Spanish exceeds 5% of the population statewide. As indicated in the table below, the nine most impacted counties do not individually reach a threshold of 5% for languages other than Spanish. Based on the analysis of the highly impacted counties, there are noted lower percentages of other LEP populations.

County	Total Population	Total LEP Population	Language 1 (name)	Language 1 (LEP population)	Language 1 (LEP % of total pop)	Language 2 (name)	Language 2 (LEP population)	Language 2 (LEP % of total pop)
New Jersey	8,253,100	1,036,300	Spanish	594,700	7%	Chinese	50,600	1%
Atlantic County	257,100	28,500	Spanish	15,800	6%	Chinese	2,000	1%
Bergen County	850,300	120,900	Spanish	41,300	5%	Korean	26,200	3%
Cape May County	92,700	3,400	Spanish	2,300	2%	N/A	N/A	N/A
Essex County	727,600	106,000	Spanish	59,600	8%	Portuguese	15,300	2%
Hudson County	585,600	150,000	Spanish	105,400	18%	Arabic	5,000	1%
Middlesex County	753,900	122,200	Spanish	53,800	7%	Chinese	11,700	2%
Monmouth County	593,700	41,600	Spanish	21,300	4%	Portuguese	4,000	1%
Ocean County	534,400	23,700	Spanish	13,400	3%	Italian	1,400	<1%
Union County	496,500	103,500	Spanish	70,400	14%	Portuguese	9,100	2%

*Note: LEP number estimates by language are displayed only if 500 persons or more
The term LEP refers to any person age 5 and older who reported speaking English "less than very well," as classified by the U.S. Census Bureau*

To ensure meaningful access to vital documents for participant information, the State will respond to identified language needs in making translation available as requested and reasonable in other languages, based on the analysis within noted communities and counties. In addition, the household assistance centers being established in the impacted counties, in over nine local locations, will include Spanish-speaking counselors and translation services for other languages, upon request (see Section 4 for more information on these centers). Based on analyzed needs and requests, DCA will conduct additional informational meetings in LEP communities in Spanish and other languages, as reasonable, in order to assist these households to apply for assistance.

Individuals with disabilities may request auxiliary aids and service necessary for participation by contacting (TTY/TDD) 609-984-7300 or 1-800-286-6613 (within NJ, NY, PA, DE, and MD). Program application procedures will also follow prescribed guidelines to ensure access for individuals with disabilities. As requested, application and other key materials will translated into Braille and other formats for persons with visual impairment. Each of the household assistance centers will be accessible to persons with physical impairments and locations for all community meetings will be reviewed for maximum accessibility. The State intends to provide for remote (web or phone based) counseling for potential applicants who cannot reach the housing assistance centers due to their disability. The centers will also be equipped with personnel who can be deployed for home visits, particularly for elderly and disabled.

The DCA website provides a direct link to Sandy-related recovery resources and will be updated with CDBG-DR information. DCA has established the email address of Sandy.Recovery@dca.state.nj.us to enable ongoing citizen input.

6.9.1 Citizen Participation Plan

The State has been in constant communication with its residents, local leaders, and other stakeholders since prior to Superstorm Sandy's landfall. This continuous outreach has helped identify the needs and priorities of the many communities affected throughout the State, and informs the programs set forth in this Action Plan.

State personnel have been providing ongoing support to the hardest hit communities following the storm. State officials also have held frequent calls and meetings with impacted communities to discuss, among other things, the storm's effects on New Jersey's housing stock, infrastructure, and business community. Examples of these outreach efforts include:

- In December of 2012, outreach and informational meetings were held in Bay Head, Lavallette, Little Ferry, Sea Bright, Seaside Heights and Toms River.
- In January of 2013, outreach and informational meetings were held in Bay Head, Keansburg, Mantoloking, Sea Bright, Stafford and Union Beach,

In addition, the State organized outreach sessions with the Governor's Office of Recovery and Rebuilding, DCA, the DEP, and leaders of local governments. Examples include:

- February 4, 2013 with Atlantic City, Brigantine, Longport, Margate, Pleasantville and Ventnor.
- February 5, 2013 with Aberdeen, Keyport, Union Beach, Keansburg, Middletown, Atlantic Highlands and Highlands.
- February 6, 2013 with Perth Amboy, South Amboy, Sayreville, Old Bridge, South River and Carteret.
- On February 11, 2013 with Sea Bright, Monmouth Beach, Little Silver, Rumson, Fair Haven, Red Bank, Long Branch, Shrewsbury and Oceanport.
- February 12, 2013, with Cape May County, Stafford, Little Egg Harbor, Barnegat, Tuckerton, Long Beach Island, Surf City, Ship Bottom, Beach Haven, Harvey Cedars and Barnegat Light.
- February 12, 2013 with Asbury Park, Bradley Beach, Avon, Belmar, Lake Como, Spring Lake, Sea Girt, Manasquan, Bay Head, Pt. Pleasant Beach, Pt. Pleasant Boro, Sea Bright, Monmouth Beach, Little Silver, Rumson, Fair Haven, Red Bank, Long Branch, Shrewsbury and Oceanport.
- February 13, 2013 with Brick, Seaside Heights, Seaside Park, Berkeley, Toms River and Lavallette.
- February 14, 2013 with Little Ferry, Moonachie, Hoboken, Jersey City, and Bayonne.

Moreover, the Governor has led five Town Hall meetings in the impacted counties. Those meetings were:

- December 20, 2012 in Belmar, Monmouth County
- January 16, 2013 in Manahawkin, Ocean County
- February 27, 2013 in Montville, Morris County
- March 12, 2013 in Paterson, Passaic County
- March 26, 2013 in Middlesex, Middlesex County

The Governor continues to hold a monthly radio address called “Ask the Governor” in which a majority of the input is related to the recovery needs post Sandy. Additionally, the Governor has deployed “mobile cabinets,” whereby senior officials traveled to seven locations throughout the most impacted communities to meet with local leaders and hundreds of residents to discuss recovery-related needs. Those locations include Sayreville, Oakhurst, Bayville, Brick, Little Ferry, Sea Bright and Union Beach. Additional mobile cabinets are being planned and will be deployed in the future to municipalities throughout the impacted counties. Moreover, Cabinet Members have held numerous meetings in impacted communities and with various stakeholders, far too numerous to list, though several are noted throughout this Section. For example, the Commissioner of DCA held meetings with the County Executive in Essex on February 19, 2013, the Mayor of Newark on January 29, 2013 and the Mayor of Orange on November 27, 2012 and January 4, 2013. State departments and agencies have responded to tens of thousands of Sandy-related correspondence and telephone calls from constituents.

Throughout the recovery effort, the State has had continuous and ongoing communications with local governments from impacted communities on an array of subjects relating to the recovery. As just one example, the DCA Division of Local Government Services (LGS) leadership has communicated with local governments through issuance of Local Finance Notices, on January 18, 2013 and again on February 6, 2013, advising all municipalities of the availability of recovery funding resources, particularly the Community Disaster Loan Program. The notice further requested municipalities to contact LGS if losses of property tax revenues resulting from Superstorm Sandy were expected to exceed 5% of annual revenues. This has led, to date, to direct meetings between LGS staff and 34 municipalities to discuss the impact of the storm and possible ways to ameliorate the impact of lost revenues on services and other essential public spending needs.

As another mechanism to incorporate input from interested stakeholders, DCA established the State Led Disaster Housing Task Force (the Task Force), which members include federal and state agencies, as well as the National Voluntary Organizations Active in a Disaster (VOAD), area non-profits, and the long term recovery committees in the most impacted counties. The Task Force was activated just days after Superstorm Sandy and continues to meet weekly, along with its subgroups. To date, the Task Force has held over 50 meetings. The subgroups are designed for in-depth discussion and strategy development regarding specific topic

areas of the housing recovery, including: construction, short and long term housing assistance, finance, communications and information management.

The feedback received from this outreach with local governments, Task Force members and citizens informed the State's program design by highlighting many housing, business, infrastructure and other needs arising as a result of Superstorm Sandy. The feedback also identified mitigation opportunities. Additionally, local governments identified budget challenges and difficulties providing important public services as among the issues they faced as a result of the storm.

Additionally, the State conducted significant outreach to Public Housing Authorities (PHAs) to gauge the issues faced by certain PHAs as a result of the storm. On March 20, 2013, DCA held a meeting with thirteen PHA Executive Directors from the nine counties most impacted by Superstorm Sandy. These included Executive Directors from PHAs in Atlantic City, Cape May, Carteret, Elizabeth, Irvington, Jersey City, Linden, Millville, Neptune, Ocean City, Orange, Perth Amboy and Pleasantville. All Executive Directors were invited to attend, and many of those who chose not to attend indicated that their facilities did not sustain damage. Feedback from this meeting informed the unmet needs assessment in Section 2 of this Action Plan. In addition, DCA is currently assisting PHAs with referrals to FEMA.

Moreover, for the last three months, DCA and HUD (through the participation of Regional Field Office Director Diane Johnson) have participated in weekly Task Force meetings, described above, which, among other things, have focused on and assessed storm impacts on PHAs in affected communities. In particular, the Task Force focused on public housing stock and on the need of public housing residents. The meetings also sought to identify and mobilize additional resources for PHAs to address those impacts and needs.

Separate from the weekly Task Force meetings, the DCA Commissioner held meetings with Diane Johnson on November 15, 2012 (along with HUD Secretary Shaun Donovan), December 7, 2012, December 14, 2012, December 21, 2012, January 18, 2013 (along with a representative of the Governor's Office of Recovery and Rebuilding), February 1, 2013, and March 1, 2013, all of which had as a specific objective discussing the unmet needs and challenges facing PHAs.

Furthermore, in mid-March, DCA distributed an assessment questionnaire to forty-seven PHAs located in the nine most impacted counties. The questionnaire was sent to remaining PHAs on April 4. The questionnaire was intended to allow PHAs to quantify and describe the damage sustained to public housing units and common property. In an effort to define PHAs' unmet needs, the questionnaire also solicited data related to costs to repair damage, anticipated insurance proceeds, FEMA eligible expenses, project reserves and any other sources of funds. The responses received were overwhelmingly positive. PHA representatives commended the State on the speed with which it produced a thorough and thoughtful plan that addressed the range of needs arising from the storm. Currently, 18 questionnaires have been received. Additional information is being provided through direct outreach calls with PHAs. This information supports the State's initial allocation related to PHAs and will be used to inform future distributions of CDBG-DR funds and to connect PHAs to resources that may address specific needs. Notably, PHA representatives

have agreed to participate in future State-led Disaster Housing Task Force Housing Subgroup meetings that currently occur biweekly.

Regarding the impact of Superstorm Sandy on New Jersey's business sector, the State has undertaken various efforts to identify the needs of New Jersey businesses. For example, the New Jersey Economic Development Authority (NJEDA) and the Business Action Center (BAC) engaged in meetings and outreach on a county-by-county basis to better understand the economic impacts of the storm. NJEDA also met with industry groups individually, including the New Jersey Marine Trades Association, New Jersey Manufacturers, and State-funded Destination Marketing organizations, to understand how specific industries were impacted and the long-term recovery needs of those industries. Since early November 2012, NJEDA and the BAC participated in twelve stakeholder meetings as part of the Economic Recovery Support Function. Stakeholders at these meetings included members of local Chambers of Commerce, elected and non-elected officials, businesses, community leaders, travel/tourism officials, and planners. Additionally, the BAC's call center collected information from businesses on their recovery needs, which was shared with state and federal departments and agencies during weekly meetings. These are just some examples. Other State departments and authorities undertook various outreach efforts to identify the impact of the storm on the business sector, which impact is described above in Section 2.

Based on this substantial outreach to the business community, DCA and its proposed subrecipient of CDBG-DR funds, NJEDA, have proposed to use this first tranche of CDBG-DR funds from HUD to provide assistance critical to revitalize businesses and focus on immediate needs, such as providing capital, in the form of grants, to eligible impacted businesses, providing loans to assist in recovery and promote economic revitalization, and bolstering New Jersey's tourism industry through a \$25,000,000 tourism marketing campaign.

The State likewise has undertaken numerous efforts to identify and address health and social service-related needs. These efforts primarily have involved the New Jersey Department of Health, the New Jersey Department of Human Services, and the New Jersey Department of Children and Families. As one example, the Commissioner of the Department of Human Services and senior leadership embarked on a seven-county "listening tour" in January 2013 aimed at better understanding the needs of health and social service consumers, impacts of the storm on systems for delivering those services, program gaps, current needs and future planning. Entities responsible for providing certain services were present at each meeting, as were other stakeholders. Overall, the New Jersey departments have remained in consistent contact through meetings, telephone calls, and other communications aimed at identifying health and social services needs resulting from the storm. Those contacts informed the types of programs to be funded using CDBG-DR funds.

Moreover, in focusing outreach efforts on communities impacted by the storm, the State's outreach has included various communities that, based on Census tract data, have a significant proportion of minority residents and non-English speaking residents. As some examples, this included outreach to communities such as:

- Asbury Park on February 12, 2013
- Atlantic City on February 4, 2013
- Bayonne on February 14, 2013
- Carteret on February 6, 2013
- Hoboken on February 14, 2013
- Jersey City on February 14, 2013
- Long Branch on February 12, 2013
- Perth Amboy on February 6, 2013
- Pleasantville on February 4, 2013
- Oceanport on February 12, 2013
- Red Bank on February 11, 2013
- Sayreville on November 15, 2012 and February 6, 2013

The State's outreach efforts are ongoing, and the State will continue to contact impacted communities throughout the State to further the State's goal of achieving an efficient, effective and expedient recovery from Superstorm Sandy.

The Action Plan was made available in Spanish on the DCA website at the following address:www.state.nj.us/dca/announcements/pdf/NewJerseyActionPlan-EnEspanol.pdf

The State's outreach also has included numerous meetings with stakeholders having important perspective on recovery related issues. For example, DCA met with the Fair Share Housing Center and the Housing and Community Development Network of New Jersey to listen to recommendations as the State develops housing recovery priorities. DCA leadership also has received direct input from several other associations, including the New Jersey Builder's Association, the New Jersey Society of Architects, New Jersey Apartment Association, and the New Jersey Realtor's Association. These are just some examples, as the State's efforts to incorporate stakeholder input into the recovery effort, which remain ongoing, have been substantial.

Additionally, DCA's LGS has actively engaged local governments, universities, associations of architects and planners, and private sector groups to discuss planning needs. For example, input was received from such groups as the Barnegat Bay Partnership, the College of New Jersey, Urban Land Institute, and Together North Jersey. This coordination will continue and will inform planning initiatives going forward.

The State's outreach efforts will continue throughout the duration of the program planning and recovery process, in accordance with the established CDBG-DR Citizen Participation Plan. Since the completion of the State's Draft Action Plan and release for Public Comment, the State has actively solicited responses to the Plan through a series of press releases and other direct communications. Press releases

through the Governor's Office includes distribution to 14 Spanish language media outlets, 3 Asian language media outlets, one African American outlet and eight Jewish media outlets.

- On Tuesday, March 12, the Governor's Press Office issued a press release unveiling the proposed Community Development Block Grant Disaster Recovery Action Plan, which outlined how New Jersey plans to utilize \$1,829,520,000 in federal funding (<http://www.state.nj.us/governor/news/news/552013/approved/20130312c.html>). The press release referenced the seven-day period for public comment and directed people to the NJ Department of Community Affairs (DCA) website to read the Action Plan. Aside from the English version of the Action Plan, the DCA posted the Spanish version of the Plan, a public comment form, a public comment email address, and instructions on how to submit a public comment about the Plan.
- The State's Intergovernmental Affairs team ("IGA") directly distributed this press release to their contacts in local governments, including mayors, business administrators, council members and other officials. This placed information relating to the posting of the Action Plan directly in the hands of community leaders. And throughout the recovery process, IGA has worked closely with local governments to ensure a coordinated recovery effort across State and local government.
- The draft plan and its availability received widespread local and regional media coverage and stories ran in several newspapers including the Star-Ledger, the Record, Asbury Park Press, Press of Atlantic City, the Wall Street Journal, the Associated Press, the Philadelphia Inquirer, and in the Ahora Newspaper published in Spanish.
- On Wednesday, March 13, DCA Assistant Commissioner Ana Montero sent an email alert about the Action Plan public review and comment to the New Jersey State-Led Disaster Housing Task Force.
- On Thursday, March 14, the New Jersey Housing and Mortgage Finance Agency sent an email alert about the Action Plan public review and comment to the New Jersey Housing Finance Task Force.
- On Friday, March 15, the DCA's Division of Local Government Services issued a GovConnect notice to all Municipal Clerks, Municipal Chief Financial Officers, Municipal Tax Collectors, County Freeholder Board Clerks, County Chief Financial Officers, Authority Officials, Fire District Officials, and Local Procurement Officials about the Action Plan public review and comment. In sum, several thousand State and local officials, from all 21 counties and all 565 municipalities in the State, received this notice.
- On Thursday, March 21, the Governor's Press Office issued a press release answering Frequently Asked Questions about the Disaster Recovery Action Plan (<http://www.state.nj.us/governor/news/news/552013/approved/20130321c.html>).

- On Thursday, March 28, the Governor's Press Office issued a press release announcing the Disaster Recovery Action Plan was submitted to HUD for review and approval (<http://www.state.nj.us/governor/news/news/552013/approved/20130328a.html>). The press release noted that members of the public had an opportunity to comment on the Action Plan during a seven-day period that closed March 19 and that the Plan submitted to HUD includes the public comments that were submitted along with the State's responses.

6.9.2 Citizen Complaints

The State, sub-grantees and recipients, if any, will establish procedures for responding to citizens' complaints regarding activities carried out utilizing these CDBG-DR funds. Citizens will be provided with an appropriate address, phone number, and times during which they may submit such complaints. The State and sub-grantees will provide a written response to every citizen complaint within 15 working days of the complaint.

6.9.3 Comment Period

A formal public comment period opened at 5pm (EST) on March 12, 2013 to extend for a 7 day period until March 19, 2013 at 5:00pm (EST). Comments to the proposed Action Plan are accepted during the public comment period, with email submittals via Sandy.Recovery@dca.state.nj.us.

The proposed Action Plan was posted prominently on the DCA website at www.state.nj.us/dca/. The proposed Action Plan was made available in English and in Spanish. The Spanish version was found at www.state.nj.us/dca/announcements/pdf/NewJerseyActionPlan-EnEspanol.pdf and confirmed as posted on March 12, 2013 by the New Jersey Office of Information Technology's tracking system. The State received one comment in Spanish which expressed appreciation for posting the Action Plan in Spanish. The Governor's Office of Constituent Relations (OCR) received phone calls regarding CDBG. OCR also had two fluent-Spanish speakers available as needed.

News releases as well as links on the New Jersey government website at www.state.nj.us and the Sandy Transparency Portal announced the comment period and the proposed Action Plan.

6.9.4 Summary of Comments to the Proposed Action Plan

This is the first phase of Community Development Block Grant Disaster Recovery funds provided to New Jersey by the U.S. Department of Housing and Urban Development (HUD). The State worked diligently to craft an effective Action Plan in a timely manner. Before the Plan was submitted to HUD for review and approval, the public was given an opportunity to comment. The DCA received 198 comments. The Action Plan in English can be viewed at <http://www.nj.gov/dca/announcements/pdf/CDBG-DisasterRecoveryActionPlan.pdf>. The Action Plan Spanish Version is at <http://www.nj.gov/dca/announcements/pdf/NewJerseyActionPlan-EnEspanol.pdf>.

A summation of the comments follows.

Consideration of Public Comments

Comment #1

How to Apply

A number of commenters asked for specific information on how to apply for programs identified in the draft Action Plan.

Staff Response:

The draft Action Plan outlines programs the State is planning to offer using the first tranche of CDBG-DR funds provided by HUD to New Jersey to assist the State's recovery from Superstorm Sandy. HUD must approve the draft Action Plan before the State can access CDBG-DR funds and implement its proposed programs. The State continues to work on developing mechanisms to administer its proposed programs efficiently and effectively, which includes developing program applications.

Once HUD approves the State's Action Plan and the mechanisms for administering proposed programs are in place, the State will use a variety of media outlets and other outreach to inform the public of the availability of funds and about how to apply for programs.

Comment #2

Second Home Benefits

A number of commenters expressed concern that CDBG-DR funds cannot be used to address second homes damaged by Superstorm Sandy. Commenters maintained that second homes would remain storm damaged and empty without financial assistance targeted to reconstruct or rehabilitate them.

Staff Response:

The requirements set forth by HUD in the Federal Register (FR-5696-N-01) regarding CDBG-DR funds appropriated to address impacts of Superstorm Sandy expressly prohibit using CDBG-DR funds for second homes. New Jersey is bound by this requirement.

Comment #3

Increased Costs Due to New Requirements

A number of commenters expressed concern regarding FEMA's Advisory Base Flood Elevation (ABFE) maps. Commenters were frustrated that although they did not live in an area that previously had flooded, they may have to elevate based on expansions of the flood zones in the ABFE maps as compared to the current Base Flood Elevation maps. Several property owners sought clarity on whether they will be required to elevate because of the ABFE maps. Many were concerned about the cost of home elevations. Commenters expressed further concern over the increased cost of flood insurance and stated that if residents cannot afford flood insurance, they may choose to leave their neighborhoods, causing neighborhoods to decline. Commenters also expressed concern that the Biggert-Waters Flood Insurance Reform Act of 2012 will increase flood insurance rates for many property owners.

Commenters offered ideas and recommendations to mitigate future flood risk apart from elevating properties, including rebuilding barrier islands, restoring dunes and raising seawalls.

Staff Response:

The State recognizes the significant cost of home elevations, which is why the RREM program will assist eligible homeowners by providing grants up to \$150,000 for activities including elevations. This program prioritizes eligible homeowners whose primary residence was "substantially damaged" and those who, if their homes are below FEMA's ABFE maps, are required to elevate.

By the Biggert-Waters Flood Insurance Reform Act of 2012, the U.S. Congress eliminated the subsidy that significantly reduced flood insurance premiums for individuals residing in a floodplain, so premiums going forward will be more closely associated with actual flood risk. The State has no say in this federal policy. The State recognizes the additional financial pressure that this federal legislation places on individuals residing in a floodplain, which is why we are preparing these grant programs to help assist with the cost of mitigation, conformance, and rebuilding to safer, stronger standards. Building to these safer standards with the financial assistance offered by the State means greater public safety and less risk of flood damage, which will help keep insurance premiums down over the long run, saving homeowners money and helping maintain affordability. This State is in addition to federal assistance for mitigation and conformance costs that is available through the ICC program.

The draft Action Plan supports mitigation and resiliency efforts to address future flooding risks. The State is committed to long-term safety and sustainability of its communities and infrastructure, and continues to develop, assess and implement mitigation and resiliency strategies.

The State understands the frustration and uncertainty surrounding FEMA's ABFE maps. As detailed in the draft Action Plan, FEMA's ABFE maps as currently drafted would add more than 33,000 structures to the floodplain. FEMA had been working on remapping the floodplain along New Jersey's coastline for two years when Sandy struck.

Currently, the only households that have to rebuild to FEMA's ABFE maps are those repairing structures that were "substantially damaged" (i.e., damage greater than 50% of structure's assessed value) as determined by the municipal floodplain manager. Property owners whose homes were not "substantially damaged" are not required to elevate at this time. FEMA's ABFE maps do not affect insurance premiums. Updated preliminary maps will be released by FEMA and until they are finalized, which may take 18 to 24 months, insurance rates are not impacted. The State anticipates that FEMA ABFE maps will be revised based on additional data and analysis.

Comment #4

Emergency Notification

Commenter indicated that it was difficult for him to find emergency information focused on New Jersey because of power outages that resulted from the storm.

Staff Response:

The State is reviewing its emergency response systems to ensure it is best able to disseminate emergency information to New Jerseyans in future disasters. The Board of Public Utilities is requiring the Electric Distribution Companies (EDCs) to take specific action to improve their preparedness and responses to major storms. The Board approved 103 separate measures based on recommendations contained in a report prepared by the Board's consultant Emergency Preparedness Partnerships (EPP).

Comment #5

SBA Requirement

A number of commenters requested that eligibility for CDBG-DR programs not be tied to filing an SBA loan application or to SBA's approval or denial of that application. One commenter asked if homeowners affected by Sandy who received SBA applications but did not file them will be eligible for CDBG-DR funds, and stated that groups had indicated that filing an SBA application was required to receive Other Needs Assistance.

Staff Response:

Per HUD requirements, so long as the SBA application period remains open, filing an application with SBA is required for homeowners or businesses to receive CDBG-DR funds. SBA loans must be accounted for when calculating a homeowner's or business' unmet need that may be addressed with CDBG-DR funds, to avoid any duplication of benefits. If the SBA application is denied, there is no duplication of benefits concern regarding CDBG-DR funds. After SBA programs close, however, homeowners and businesses may apply for CDBG-DR funds even if they did not file an SBA application when the SBA program was open.

Currently, the deadline for a homeowner or business to file an SBA loan application to seek funding based on physical damage caused by the storm is May 1, 2013. The deadline for a business to file an SBA loan application to seek funding based on economic losses sustained as a result of the storm is July 31, 2013. Either or both deadlines may be extended.

Comment #6**Definition of Storm Related Priorities**

Commenter asked for a definition of "storm related priorities" in relation to the draft Action Plan.

Staff Response:

The requirements set forth by HUD in the Federal Register (FR-5696-N-01) regarding CDBG-DR funds appropriated to address impacts of Superstorm Sandy expressly require New Jersey to allocate 80% of the CDBG-DR funds from this tranche to the nine "most impacted and distressed" counties as determined by HUD. Those counties are Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union.

Comment #7**Towns Losing Ratables**

Commenter expressed concern that towns will suffer because residents will leave if they cannot afford to rebuild. Commenter suggested a possible tax break for people purchasing damaged homes to rehabilitate and use as a primary residence as a way to offset losses.

Staff Response:

In the draft Action Plan, the State has proposed a Resettlement Program to incentivize primary residents under short-term pressure to sell their homes to remain part of the fabric of their communities. Additionally, the proposed RREM program will assist eligible homeowners with reconstructing, rehabilitating, elevating and/or mitigating their storm-damaged homes by providing grants up to \$150,000 for unmet needs, which also should reduce some risk of towns losing residents for lack of funding to rebuild. The State also has proposed a Blight Reduction Program, a number of programs to rehabilitate damaged rental properties, and a program to assist eligible individuals who are purchasing homes, which should add residents to affected communities or allow current residents to remain. Furthermore, the State's draft Action Plan includes a proposed program to protect municipalities from budget shortfalls caused by the storm not satisfied by FEMA Community Disaster Loans so that if a municipality loses significant revenues, monies will be available to ensure that essential services still can be provided.

As subsequent tranches of CDBG-DR funds are provided to New Jersey by HUD, the State will continue to prioritize and address its unmet needs. Currently, the State's primary focus is on helping affected households (homeowners and renters) and small businesses rebuild. As long-term recovery continues, the State will maintain flexibility to consider all avenues, including tax breaks, that may further the long-term recovery effort.

Comment #8

Help for Self Employed

Commenter asked for assistance for self employed individuals who have lost tools of the trade.

Staff Response

As described in the draft Action Plan, the State proposes to provide grants and low cost loans to eligible small businesses to assist their recovery. These funds can be used for rehabilitation, equipment, inventory, mitigation, refinancing and working capital.

Comment #9

Design Solutions

Commenter encouraged design solutions to mitigate future flooding.

Staff Response:

The draft Action Plan supports mitigation and resiliency efforts to address future flooding risks. The State is committed to long-term safety and sustainability of its communities and infrastructure, and continues to develop, assess and implement mitigation and resiliency strategies.

Comment #10

Request for Case Worker(s) and Counseling

A number of commenters encouraged the use of case workers to help applicants navigate the CDBG application process, cut through red tape and receive CDBG-DR funds expeditiously. Commenters recommended the HUD Housing Counseling Program Guide be adopted and that fifteen HUD Approved Housing Counseling Agencies be selected and trained. Commenters also supported a marketing campaign to inform families of Sandy relief programs.

Staff Response:

The State will administer proposed programs in a streamlined manner that reduces red tape, but that still provides for necessary and robust protections against waste, fraud and abuse. The State also plans to help applicants navigate the CDBG-DR application processes, including by using case workers where appropriate. The State continues to work on developing mechanisms to administer its proposed programs efficiently and effectively.

If HUD approves the draft Action Plan, the State will use a wide variety of media outlets and other outreach to inform the public of the availability of funds and on how to apply for programs.

Comment #11

Temporary and Permanent Rental Assistance

Commenter recommended that displaced tenants who were receiving temporary State Rental Assistance (SRAP) be allowed to obtain a permanent Sandy Voucher (Section 8 /HCVP). Commenter expressed concern that some displaced tenants receiving temporary rental assistance have been denied the opportunity to apply for permanent Sandy Vouchers (Section 8/HCVP).

Staff Response:

The Christie Administration set aside 1,000 Section 8 Housing Choice Vouchers (HCV) as Special Admission Housing Choice Vouchers to assist households affected by Superstorm Sandy. To be eligible, the impacted household must be registered with FEMA and be eligible for rental assistance from FEMA. State Rental Assistance recipients meeting these criteria are eligible to apply. Special Admission applications remain available and can be obtained by calling (609)633-6606 or by sending an email request to Hurricane.Sandy@DCA.State.NJ.US.

Comment #12**Beach/ Resiliency/Sustainability/Barrier Islands**

A number of commenters urged restoration of barrier islands and beach dunes, and also urged that no funds be diverted from direct aid to victims of Superstorm Sandy.

Staff Response:

The State will continue to work with FEMA, the U.S. Army Corps of Engineers, other federal partners, municipalities and other interested stakeholders in developing and implementing mitigation and resiliency measures that harden New Jersey's environmental infrastructure.

Additionally, the State continues to address rebuilding and recovery holistically, seeking to use its limited resources to address the State's many unmet needs in a thoughtful and responsible way. While all CDBG-DR funds will be spent in a manner that helps those impacted by the storm, the help takes different forms. Helping households (homeowners and renters) and small businesses rebuild is the State's top priority, which is reflected in the total amount of CDBG-DR monies dedicated for that purpose. However, the State also must promote tourism to ensure that small businesses recover from the impact of the storm and remain sustainable. Moreover, using CDBG-DR funds for essential health and social services, providing monies for planning to promote resilient and sustainable rebuilding, and protecting municipalities against unaddressed budget shortfalls are other examples of programs essential to an integrated and effective recovery.

Comment #13**Help for Older Adults**

A number of commenters asked that more help be offered to older adults seeking to return to their damaged homes. Commenters expressed concern that some older adults may not be able to afford to rebuild, particularly if rebuilding requires accommodations to address accessibility issues.

Staff Response:

As described in the draft Action Plan, the State recognizes that some older adults may face unique recovery challenges, including accessibility issues. The RREM and Resettlement programs described in the draft Action Plan will provide grants to eligible homeowners, including older adults, that can be used to address accessibility issues, among other things. Additionally, some older adults likely will benefit from the State's proposed rental programs.

Comment #14**Tourism Campaign**

Commenter urged that funds for the tourism marketing campaign or other funds be released immediately to promote tourism.

Staff Response:

The State understands the time-sensitive nature of a tourism marketing campaign aimed at attracting tourists to New Jersey for the 2013 beach season. For this reason, the State plans to roll out shortly an online marketing campaign using State monies aimed at attracting visitors to New Jersey. This is in addition to other efforts the State continues to take to get the word out that much of the Jersey Shore is open for business.

Regarding the tourism campaign to be supported by CDBG-DR funds, HUD must approve the State's draft Action Plan before the State can access to CDBG-DR funds to begin that campaign. The State will award a competitively procured marketing contract and subsequently launch the marketing campaign.

Comment #15**Arts Funding and Lost Wages**

Commenter stated that Superstorm Sandy severely affected the arts community, resulting in canceled performances, damaged venues, lost jobs and destroyed equipment. Commenter urged that tourism marketing funds be earmarked for New Jersey's nonprofit arts industry.

Staff Response:

After the draft Action Plan is approved, the State will announce its tourism marketing campaign. The New Jersey Economic Development Authority contemplates working with Destination Marketing Organizations within the State to assist in deploying marketing dollars and supportive events to draw visitors to communities and venues that are open for business.

Additionally, nonprofits are eligible to receive funding under proposed small business programs, including grant and loan programs, provided they satisfy all eligibility requirements.

Comment #16**Middleclass Benefits**

A number of commenters maintained that middleclass homeowners have not been given enough consideration in the draft Action Plan.

Staff Response:

The State is committed to helping middle class homeowners reconstruct, rehabilitate, elevate and mitigate their storm-damaged homes. By using adjusted gross income under \$250,000 as an eligibility benchmark, the State sought to ensure that middle class New Jerseyans would not be means-tested out of the RREM program. Additionally, the Resettlement program is offered to all homeowners who meet eligibility requirements.

Notably, HUD requires that 50% of all CDBG-DR funds be used to benefit low and moderate income (LMI) households, which informs how the State targets the use of CDBG-DR funds.

As additional CDBG-DR funds are allocated to New Jersey by HUD, the State will continue to refine its proposed programs and develop additional programs to assist affected New Jerseyans.

Comment #17**Comment Period**

A number of commenters claimed that there have been inadequate hearings on the draft Action Plan. Commenters stated that the comment period should be longer, and that additional groups should be consulted.

Staff Response:

Because of the devastation caused by Superstorm Sandy, HUD established a more streamlined approach for preparing and submitting CDBG Action Plans in order to expedite the release of CDBG-DR funds to those in need.

As set forth in Section 6 of the State's draft Action Plan, the State conducted significant outreach to affected citizens, communities, businesses and other stakeholders, which informed the draft Action Plan.

Comment #18**Rental Assistance**

Commenter noted help was needed to restore rental property, even if the home is also a secondary residence.

Staff Response:

The requirements set forth by HUD in the Federal Register (FR-5696-N-01) regarding CDBG-DR funds appropriated to address impacts of Superstorm Sandy expressly prohibit using CDBG-DR funds for second homes. New Jersey is bound by this requirement.

The State is proposing a Small Rental Property program designed to help owners of rental properties - ranging from single family homes to 25 unit structures - if the rental property is available for rental use on a full time basis and all other eligibility requirements are satisfied.

Comment #19**Rental Distribution of Benefits**

A number of commenters asked that more focus be placed on, and more funding be provided to, renters affected by Superstorm Sandy. Commenters were concerned that the amount of money overall going to assist homeowners exceeds the amount being provided to assist renters and to rebuild or construct rental properties.

Staff Response:

As described in the draft Action Plan, FEMA Individual Assistance data as of March 12, 2013, indicates that of residences sustaining "severe" or "major" damage from the storm, approximately 72% are owner-occupied primary residences and 28% are rental units. (Per HUD requirements, this analysis excludes second homes). Thus, the State determined that the first tranche of CDBG-DR funds should be weighted toward assisting structural rehabilitations and reconstructions by primary residents as compared to structural rehabilitations and reconstructions of rental properties. Though the analysis of damage suggests funding between owner occupied and renter damage properties should be set at 72% to 28% in favor of owner occupied units, the State understands the concerns of many commenters and will require 33% of the housing funds be spent toward assisting renters. Therefore, the Plan now allocates \$379,520,000 to rental assistance programs.

Additionally, the State's draft Action Plan addresses just the first tranche of CDBG-DR funding provided to the State by HUD. As additional CDBG-DR funds are allocated to New Jersey, the State will continue to assess its unmet needs and prioritize its needs as it provides additional funding to proposed programs or proposes new programs.

Comment #20

Elevation Help for Homeowners

A number of commenters requested help for costs to elevate primary residences.

Staff Response:

The RREM Program will provide eligible homeowners up to \$150,000 for unmet needs associated with the reconstruction, rehabilitation, elevation and/or mitigation of damaged homes. Priority will be given to homes that are “substantially damaged” (damages exceed 50% of a home’s assessed value) as determined by a municipality’s floodplain manager and that are located in one of the nine most impacted counties as determined by HUD.

Comment # 21

Nonprofit Participation

Commenter supported direct funding to nonprofits for recovery work and an increase in LMI funding.

Staff Response:

A number of programs in the draft Action Plan are targeted to address the needs of impacted nonprofits and enable nonprofits to participate in recovery efforts. For example, nonprofit developers may apply to develop rental housing under the Fund to Restore Multifamily Housing, the Small Rental Program, the Predevelopment Fund, the Blight Reduction Pilot Program and the Sandy Special Needs Housing Fund. Nonprofit property owners may also apply for the Project Based Incentives Program. Finally, nonprofits involved in commercial or industrial activities may apply for rehabilitation and reconstruction assistance under the Grants and Forgivable Loans to Small Business Program. As additional tranches of CDBG-DR funds are provided to New Jersey by HUD, the State will continue to prioritize and address its unmet needs, including needs that may be addressed through nonprofit organizations.

Regarding funding to benefit LMI individuals, the draft Action Plan is designed to conform to HUD LMI requirements. The Action Plan allocations for housing efforts overall reflect that a total of 75.2%, or a total of \$830,068,000 is dedicated to directly benefit LMI households.

Comment # 22

Blight Reduction Program

Commenter recommended the Blight Reduction Pilot Program provide grants in addition to loans, and that Mercer County be added as an impacted county.

Staff Response:

The State is encouraging the development of mixed income approaches under the Blight Reduction Program and believes that these projects will be able to support a zero percent loan. Using a loan model generates program income, which enables additional disaster recovery activities to be implemented in the future.

In respect of Mercer County, HUD, not the State, determined the “most impacted and distressed” counties to receive at least 80% of this tranche of CDBG-DR funding. The State cannot add counties to that group.

Comment # 23

Economic Development

Commenter asked for clarification of economic development activities and asked how involuntary displacement would be minimized. **Staff Response:**

Eligible uses of economic development funds include costs related to rehabilitation, new construction, equipment, inventory, mitigation, refinancing, flood insurance and working capital. The State will comply with the applicable components of the Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act) in minimizing displacement caused by federally assisted activities. Additional details on economic development activities and how involuntary displacement will be minimized through the administration of the proposed programs will be developed further once the draft Action Plan is approved by HUD.

Comment # 24

Capacity to Administer Programs

Commenter expressed concerns that the State does not have the capacity to administer the volume of grants in the proposed grant and loan programs. Another commenter further recommended master contracts for environmental review and that the State Historic Preservation Office be provided additional capacity.

Staff Response:

The State will procure vendors and supplemental staff as necessary to assist in administering grant and loan programs identified in the draft Action Plan. This will supplement the existing capabilities and capacities currently within the State agencies to administer program funds. In response, the State has provided further clarification in Section 6.6.1 describing the staffing and role of the Sandy Recovery Unit and the additional steps supported by New Jersey Executive Order No. 125 to ensure accountability and compliance.

Comment # 25

Programmatic Suggestions and Concerns

Commenter expressed concerns with lack of specificity for targeted areas, fund distribution, and inadequacy of funding amounts. Commenter suggested DCA consider re-allocating \$16.5 million of the CDBG-DR funds from the planning, oversight and monitoring line item to create a mortgage guarantee program and other reallocation of funding. Commenter further advocated increasing the set-aside for public and subsidized housing. Commenter asked that loan terms be clarified.

Staff Response:

The draft Action Plan was developed after detailed analysis of the State's unmet needs, with considerable stakeholder input, and in compliance with HUD regulations governing targeted regions. Accordingly, the State is working diligently with federal government partners to expedite the release of additional CDBG-DR funds to satisfy unmet needs. After HUD approves the draft Action Plan, policies will be developed clarifying how each program will be implemented.

Comment #26

HUD Technical Requirements

Commenter questioned whether the State satisfied HUD requirements when assessing unmet need. Commenter also supported long-term resiliency and sustainability principals.

Staff Response:

The State has complied with HUD requirements in the preparation and submission of the draft Action Plan. The State's unmet needs assessment was conducted using FEMA data as well as other available data that informed the extent of Superstorm Sandy's impact on New Jersey. The State stayed in close contact with HUD and other federal partners when preparing its draft Action Plan.

The State is committed to long-term safety and sustainability of its communities and infrastructure, and continues to develop, assess and implement mitigation and resiliency strategies. The State will continue to assess data as it becomes available. As reflected in the Action Plan revisions submitted to HUD for final approval, the State updated its unmet needs assessment based on an analysis of recently released FEMA Individual Assistance data. The State is committed to ongoing data assessment and will review outstanding unmet needs for anticipated additional funding from HUD.

Comment #27**Affordable Housing**

Commenter expressed concern about the recovery needs of working families and individuals with limited income or assets. Commenter also requested the State work with United Way and the Continuums of Care to assist in addressing housing gaps as well as other housing needs.

Staff Response:

The State recognizes that Superstorm Sandy had a devastating effect on households with limited means. The State has targeted 70% of the \$600,000,000 allocated to the proposed RREM program to assist eligible low and moderate income New Jerseyans reconstruct, rehabilitate, elevate and/or mitigate their storm-damaged homes. The State also proposes a Resettlement program to incentivize households under short-term pressure to sell their homes to remain part of the fabric of their communities. Additionally, the State has proposed a program to pave a path to homeownership for low income households. Of the total funding allocated to housing programs in this first tranche of CDBG-DR funds, 77%, or \$894,544,000, is dedicated to directly benefit LMI households. The State further has allocated CDBG-DR funds to provide health and social services to populations in need of those services as a result of the storm, which likely will include many low and moderate income individuals.

Moreover, the State is committed to working with nonprofit partners and other voluntary organizations active in disaster to leverage their capabilities to further the recovery, in the housing sector and in all other sectors where those organizations can assist New Jerseyans. The Action Plan establishes a specific program for special needs housing, which includes participation of nonprofit developers.

Comment #28**Public Housing**

Commenter urged that more monies be allotted for public housing, and stated that the Jersey City Housing Authority estimates that it needs \$3,000,000 for immediate repairs. Commenter acknowledged need for Immediate Needs Housing funds, but is concerned that the allocation is not sufficient to meet the need. Commenter recommended that Public Housing Authorities (PHAs) be designated as providers of administrative services within the programs outlined in the draft Action Plan and that PHAs be given preference in applying for Special Needs Housing funds. Commenter expressed concern about the timeline of the current Low Income Housing Tax Credit Program and recommends an alternative timeline.

Staff Response:

The State continues to work on assessing needs in its housing sector, including the needs of housing authorities. The State has distributed a damages and needs assessment to the 80 PHAs in New Jersey and continues to analyze information received in response. Several PHAs reported needs related to elevation and mitigation, and the State is taking steps to assist PHAs in addressing those reported needs. The State considered relevant available data in making funding determinations across programs using this first tranche of CDBG-DR funds. Based upon the assessment and comments made by PHA officials, \$20 million has been set aside to assist PHAs in storm recovery activities. As additional CDBG-DR funds are provided by HUD to New Jersey to assist in the recovery, the State will continue to assess PHAs' unmet needs and prioritize PHA needs as it provides additional funding to proposed programs or proposes new programs.

Preferences, if any, in applying for the CDBG-DR funds will be addressed programmatically, assuming HUD approves the State's draft Action Plan.

Comment #29**Buy Outs, Sea Level Rise and Climate Change Issues**

Commenter urged programs and mapping to address sea level rise, climate change, and adaptation and mitigation strategies, as well as buyouts for some property owners. Commenter also requested details for rebuilding infrastructure and suggested stronger standards be implemented for building in flood hazard areas. Commenter further emphasized regional planning and coordination between municipalities.

Staff Response:

The draft Action Plan provides that, where appropriate and applicable, mitigation measures and floodplain management will be incorporated into proposed programs. The draft Action Plan also emphasizes the use of green building and energy efficiency designs in repairs and reconstruction.

Moreover, in the draft Action Plan, the State identified buyouts of flood-prone properties among its housing needs. While the State did not provide for buyouts using this first tranche of CDBG-DR funds, opting instead to focus in the short-term on rebuilding damaged homes and small businesses, the State is actively pursuing funding to implement a buyout program.

Additionally, the draft Action Plan allocates monies for planning activities to better ensure communities are rebuilt in a resilient and sustainable manner, including conformance, where applicable, with the latest FEMA ABFE guidelines that utilize the most current science and data to assess the threat of flood to communities across the state. The State is continuing to press for finalization of the ABFE map process, while having adopted the current, aggressive standards as the State's current standard to ensure safety and long-term insurance affordability for those looking to rebuild immediately.

Comment #30**Timeline Clarification and County Level Planning Activities**

Commenter requested clarification of the two-year timeline for spending CDBG-DR funds. Commenter also supported coordinated planning activities at the county level and requested coordination with ongoing CDBG projects to avoid duplication of benefits. Commenter further stated that Monmouth County is an "exception Criteria" county and recommended using Block Group Level data to determine eligibility.

Staff Response:

CDBG-DR funds must be spent within two years of the State's receiving the funds from HUD unless HUD provides an extension.

The State will coordinate with federal partners and other entities, and will incorporate procedures to avoid duplication of benefits.

The State is aware of the exception criteria for Monmouth County and will consider the best way for those to be applied, where applicable. The State will consider the block group level census data when determining eligibility of a project if that level encompasses the service area receiving benefits.

Comment #31

Availability of Spanish Translated Version of Draft Action Plan

Some commenters claimed that the State did not provide a Spanish translated version of the draft Action Plan.

Staff Response:

The draft Action Plan is posted in Spanish on DCA's website in accordance with federal regulations (<http://www.state.nj.us/dca/announcements/pdf/NewJerseyActionPlan-EnEspanol.pdf>). Records from New Jersey's Office of Information Technology confirm that the Plan was posted on March 12, 2013. The State received one comment submitted in Spanish in response to the Spanish language version of the CDBG Action Plan. It also is noteworthy that while the Governor's Office of Constituent Relations received a number of phone calls regarding the CDBG Action Plan during the comment period, there were no complaints from constituents that the Spanish language version of the CDBG Action Plan was inaccessible.

Comment #32

Marinas and Marine Industry

A number of commenters urged financial assistance in the form of grants or low interest loans for marinas and other marine industries based on damages caused by the storm. Commenters further requested that industry-specific consideration be given to recreational marine businesses.

Staff Response:

Aquaculture, marinas and other marine-related businesses are important to many local economies, particularly on the Jersey shore, as well as to the State economy. These businesses are eligible to receive assistance through small business programs proposed in the draft Action Plan provided they satisfy eligibility criteria.

Comment # 33

SNHTF Funding

Commenter urged that the State renew the Special Needs Housing Trust Fund.

Staff Response:

A direct allocation of CDBG-DR funds will be made to the New Jersey Housing and Mortgage Finance Agency to operate a fund dedicated to the construction of permanent supportive housing across New Jersey for special needs populations. This program is similar to the New Jersey Special Needs Housing Trust Fund.

Comment #34

Gap Financing for Low Income Housing Tax Credit Deals

Commenter requested that CDBG-DR funds be awarded as gap financing immediately to 4% Low Income Housing Tax Credit deals as they come into the New Jersey Home Mortgage and Finance Agency pipeline. Respondent also requested that the State either re-allocate a portion of the \$70,000,000 allocated to the Small Rental Properties program immediately to the large multi-family program or provide sufficient flexibility to do so in the near future.

Staff Response:

The State considered relevant available data in making funding determinations across programs using this first tranche of CDBG-DR funds. As additional CDBG-DR funds are provided by HUD to New Jersey to assist in the recovery, the State will continue to assess its unmet needs and prioritize its needs as it provides additional funding to proposed programs or proposes new programs.

The timing of fund distribution will be addressed programmatically. While the State recognizes the importance of expediency, it also understands that procedures must be in place to prevent waste, fraud and abuse. The State will work to streamline programs to reduce red tape, while also providing for robust protections against waste, fraud and abuse.

Comment #35

Allocation

Commenter urged that more money be allocated to the Resettlement Program, or that money be allocated to buyouts if the cost to rebuild is too high. Commenter stated the tourism advertising campaign funding could be better used getting people into their homes. Commenter recommended that approximately 10% to 15% of the grants and loans described under Section 4.3.1 and Section 4.3.2 of the draft Action Plan be set-aside for manufacturing businesses impacted by Sandy.

Staff Response:

The State considered relevant available data in making funding determinations across programs using this first tranche of CDBG-DR funds. As additional CDBG-DR funds are provided by HUD to New Jersey to assist in the recovery, the State will continue to assess its unmet needs and prioritize its needs as it provides additional financing to proposed programs or proposes new programs.

In the draft Action Plan, the State identified buyouts of flood-prone properties among its housing needs. While the State did not provide for buyouts using this first tranche of CDBG-DR funds, opting instead to focus in the short-term on rebuilding damaged homes and businesses, the State is actively pursuing funding to implement a buyout program.

Regarding using CDBG-DR funds for tourism marketing, as described in the draft Action Plan, the tourism industry is vital to the State and to many municipalities most heavily affected by Superstorm Sandy. Ensuring that tourists know that much of the Jersey Shore is, or will be, open for business in 2013 is critical to combating the misperception that the entire New Jersey shore was decimated by the storm. The misperception threatens to drive away needed tourism dollars and, potentially, jobs, many of which benefit LMI individuals, from shore communities in 2013 and beyond, preventing them from realizing an effective recovery.

Comment #36

Eligibility

Commenter recommended limiting eligibility for the RREM program to households with income up to 150% of Area Median Income.

Staff Response:

The State is committed to helping middleclass homeowners reconstruct, rehabilitate, elevate and mitigate their storm-damaged homes. By using adjusted gross income under \$250,000 as an eligibility benchmark - as opposed to a lower figure like 150% of Area Median Income- the State sought to ensure that middle class New Jerseyans would not be means-tested out of the RREM program.

Comment #37**LMI**

Commenter asked the income level needed to qualify under the "moderate" income category.

Staff Response:

The meaning of "low and moderate income" varies depending on the location of the household. Data describing income limits by county for New Jersey can be found at the following interactive website maintained by HUD: http://www.huduser.org/portal/datasets/il/il2013/select_Geography.odn

Comment #38**Federal Register Requirements**

Commenter noted that the draft Action Plan did not abide by the requirements of the United States Department of Housing and Urban Development 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.

Staff Response:

The Department is committed to enforcing Federal and State fair housing and civil right laws. Information developed during the preparation and continued implementation of the Action Plan will help inform the Department's preparation of the Consolidated Plan due in 2015 per the Federal Notice and other housing planning efforts.

Comment #39**Minority Contractor Inclusion**

Commenter urged efforts to retain minority contractors in the rebuilding and recovery effort and to prioritize health and social services.

Staff Response:

Procurements using CDBG-DR funds must comply with 24 CFR Part 85.36 (e), which references contracting with small and minority firms, women's business enterprises and labor surplus area firms. The State also will ensure that hiring goals of individuals and firms comply with Section 3 of the Housing and Urban Development Act of 1968.

With respect to health and social services programs, as described in the draft Action Plan, the State has allocated \$50,000,000 from this first tranche of CDBG-DR funds to supportive services programs. Other federal funding sources, once made available, also will be used to provide health and social services to New Jerseyans needing them.

Comment #40

RREM Program Priorities

Commenter suggested that the RREM program not prioritize first primary residents whose homes were “substantially damaged” as determined by a municipal floodplain manager.

Staff Response:

The State has sought to expend its limited CDBG-DR resources reasonably and responsibly, prioritizing first primary residents whose homes were destroyed outright or that sustained the greatest level of damage as a result of the storm. Moreover, only this group of homeowners is required to rebuild to the elevation and building standards required by FEMA’s ABFEs.

Comment #41

Manufactured Housing

Commenter urged that criteria be developed to include ENERGY STAR™ certified manufactured housing as a long-term recovery solution.

Staff Response

Specific policies for reconstruction are being developed and will be posted to DCA’s website once completed.

Comment #42

Planning Assistance for Municipalities

Commenter expressed concern that the draft Action Plan does not include funding for resiliency and planning studies at the local or regional level. Commenter noted that grants from the State would offer municipalities a chance to conduct engineering studies and coordinate with the U.S. Army Corps of Engineers, fast tracking plans to protect Hoboken and other cities.

Staff Response:

The State recognizes the importance of resiliency and planning studies in rebuilding sustainable communities. The draft Action Plan allocates \$85,000,000 for “Planning, Oversight, and Monitoring.” The planning component will include grant assistance on a local and regional basis as appropriate to guide the long-term recovery and shape redevelopment activities. While the State has described some requirements in the draft Action Plan, including that any new planning efforts be coordinated within the framework of the New Jersey Statewide Hazard Plan, additional requirements will be addressed programmatically. The State also will work with the State Steering Committee on statewide planning efforts as this initiative is refined.

The State plans to pursue resiliency studies using other resources to ensure that the State is rebuilt in a more sustainable way. These studies will include the evaluation of urban centers like Hoboken. Moreover, the State continues to coordinate with the Army Corps of Engineers to address repetitive flood areas.

Comment #43

Program Design

Commenters encouraged the use of a buyout program to discourage rebuilding in flood-prone areas. A buyout option also was suggested for first floor condominium owners whose units have been devalued due to higher insurance premiums or changes in flood map designations.

Staff Response:

In the draft Action Plan, the State identified buyouts of flood-prone properties among its housing needs. While the State did not provide for buyouts using this first tranche of CDBG-DR funds, opting instead to focus on rebuilding damaged homes and businesses, the State is actively pursuing funding to implement a buyout program.

Whether first floor condominium owners whose units have been devalued due to higher insurance premiums or changes in flood maps may be eligible for forthcoming buyout programs will be addressed programmatically when those programs are developed.

Comment #44**State Budget Process/Congressional Intent**

A number of commenters urged the State to fund some projects through the State budget process and not through CDBG-DR funds. Commenters made detailed remarks on congressional intent for the CDBG-DR program, allocation, funding levels, available statistics, and objections to certain programs and aspects of programs.

Staff Response:

The State continues to consider all potential funding sources -- federal, state, nonprofit, and other sources -- as part of its holistic approach to a thoughtful and responsible recovery that efficiently, effectively and expediently gets resources to those in need of them.

The State considered relevant available data in developing its proposed programs and making funding determinations across those programs using this first tranche of CDBG-DR funds. As additional CDBG-DR funds are provided by HUD to New Jersey to assist in the recovery, the State will continue to assess its unmet needs and prioritize its needs as it provides additional funding to proposed programs or proposes new programs.

Comment # 45**Hotel and Low Income Populations**

Commenter requested that more funding be shifted to people staying in hotels and low income populations.

Staff Response:

The State continues to address rebuilding and recovery holistically, seeking to use its limited resources to address the State's many unmet needs in a thoughtful and responsible way. The State considered relevant available data in making funding allocations across programs using this first tranche of CDBG-DR funds. In doing so, the State allocated significant monies to programs that assist households and individuals of limited means.

As additional CDBG-DR funds are provided by HUD to New Jersey to assist in the recovery, the State will continue to assess its unmet needs and prioritize its needs as it provides additional funding to proposed programs or proposes new programs to help affected New Jerseyans.

Comment #46**Rent Price Gouging**

Commenter believed that some landlords may be price gouging.

Staff Response:

The State requests specific information about “rent gouging” and will forward all known instances of abuse to the New Jersey Attorney General for prosecution.

Comment #47

Ground Floor Apartment Damage

Commenter noted that many brownstone garden style basement apartments were damaged.

Staff Response:

The State is aware that Superstorm Sandy damaged brownstone garden style basement apartments. The proposed Small Rental Program will provide zero interest forgivable loans to eligible existing and new owners of rental properties with 25 or less units that require significant rehabilitation because of storm damage. Brownstone garden style basement apartments used as full-time rentals that satisfy all other eligibility requirements can receive funding through this program.

New Jersey Department of Community Affairs

GRANTEE CERTIFICATIONS

- a. 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 (see 24 CFR 570.487(b)(2) and 570.601(a)(2)). In addition, the grantee certifies that agreements with subrecipients will meet all civil rights related requirements pursuant to 24 CFR 570.503(b)(5).
- b. The grantee certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG program.
- c. The grantee certifies its compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by part 87.
- d. The grantee certifies that the Action Plan for Disaster Recovery is authorized under State and local law (as applicable) and that the grantee, and any contractor, subrecipient, or designated public agency carrying out an activity with CDBG-DR funds, possess(es) the legal authority to carry out the program for which it is seeking funding, in accordance with applicable HUD regulations and this Notice.
- e. The grantee certifies that activities to be administered with funds under this Notice are consistent with its Action Plan.
- f. The grantee certifies that it will comply with the acquisition and relocation requirements of the URA, as amended, and implementing regulations at 49 CFR

part 24, except where waivers or alternative requirements are provided for in this Notice.


- g. The grantee certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- h. The grantee certifies 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). Also, each UGLG receiving assistance from a State grantee must follow a detailed citizen participation plan that satisfies the requirements of 24 CFR 570.486 (except as provided for in notices providing waivers and alternative requirements for this grant).
- i. Each State receiving a direct award under this Notice certifies that it has consulted with affected UGLGs in counties designated in covered major disaster declarations in the non-entitlement, entitlement, and tribal areas of the State in determining the uses of funds, including method of distribution of funding, or activities carried out directly by the State.
- J. The grantee certifies that it is complying with each of the following criteria:
 - (I) Funds will be used solely for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas for which the President declared a major disaster in the aftermath of Hurricane Sandy, pursuant to the Stafford Act.

- (2) With respect to activities expected to be assisted with CDBG-DR funds, the Action Plan has been developed so as to give the maximum feasible priority to activities that will benefit low- and moderate-income families.
- (3) 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.
- (4) The grantee will not attempt to recover any capital costs of public improvements assisted with CDBG-DR grant funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements, unless: (a) disaster recovery grant funds are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from revenue sources other than under this title; or (b) for purposes of assessing any amount against properties owned and occupied by persons of moderate income, the grantee certifies to the Secretary that it lacks sufficient CDBG funds (in any form) to comply with the requirements of clause (a).
- k. The grantee certifies that it (and any subrecipient or recipient)) will conduct and carry out the grant in conformity with title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and the Fair Housing Act (42 U.S.C. 3601-3619) and implementing regulations.
- l. The grantee certifies that it has adopted and is enforcing the following policies. In addition, States receiving a direct award must certify that they will require

UGLGs that receive grant funds to certify that they have adopted and are enforcing:

- (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.
- m. Each State or UGLG receiving a direct award under this Notice certifies that it (and any subrecipient or recipient) has the capacity to carry out disaster recovery activities in a timely manner; or the State or UGLG will develop a plan to increase capacity where such capacity is lacking.
- n. The grantee will not use grant funds for any activity in an area delineated as a special flood hazard area or equivalent in FEMA's most recent and current data source unless it also ensures that the action is designed or modified to minimize harm to or within the floodplain in accordance with Executive Order 11988 and 24 CFR part 55. The relevant data source for this provision is the latest issued FEMA data or guidance, which includes advisory data (such as Advisory Base Flood Elevations) or preliminary and final Flood Insurance Rate Maps.
- o. The grantee certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, fi, l, K, and R.
- p. The grantee certifies that it will comply with applicable laws.
- q. The grantee certifies that it has reviewed the requirements of this Notice and

requirements of Public Law 113-2 applicable to funds allocated by this Notice, and that it has in place proficient financial controls and procurement processes and has established adequate procedures to prevent any duplication of benefits as defined by section 312 of the Stafford Act, to ensure timely expenditure of funds, to maintain comprehensive websites regarding all disaster recovery activities assisted with these funds, and to detect and prevent waste, fraud and abuse of funds.



Signature of Authorized Official

3-27-13

Date

Richard E. Constable III, Commissioner
Department of Community Affairs

Application for Federal Assistance SF-424		Version 02
*1. Type of Submission		*2. Type of Application *If Revision, select appropriate letter(s):
<input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application		<input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation * Other (Specify) <input type="checkbox"/> Revision
*3. Date Received:		4. Application Identifier:
5a. Federal Entity Identifier:		*5b. Federal Award Identifier:
State Use Only:		
6. Date Received by State:		7. State Application Identifier:
8. APPLICANT INFORMATION:		
* a. Legal Name: STATE OF NEW JERSEY		
* b. Employer/Taxpayer Identification Number (EIN/TIN): 21-6000928		*c. Organizational DUNS: 806417143
d. Address:		
*Street1: 101 S BROAD ST Street 2: P.O. BOX 800 *City: TRENTON County: MERCER *State: NEW JERSEY Province: Country: USA *Zip/ Postal Code: 08625-0800		
e. Organizational Unit:		
Department Name: DEPARTMENT OF COMMUNITY AFFAIRS		Division Name:
f. Name and contact information of person to be contacted on matters involving this application:		
Prefix: Mr. First Name: Richard Middle Name: E. *Last Name: Constable Suffix: III		
Title: Commissioner, N.J. Department of Community Affairs		
Organizational Affiliation:		
*Telephone Number: 609-292-6420		Fax Number: 609-984-6696
*Email: Richard.Constable@dca.state.nj.us		

Application for Federal Assistance SF-424

9. Type of Applicant 1: Select Applicant Type: A. State Government

Type of Applicant 2: Select Applicant Type:
- Select One -

Type of Applicant 3: Select Applicant Type:
- Select One -

*Other (specify):

*10. Name of Federal Agency:
U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

11. Catalog of Federal Domestic Assistance Number:
14.228
CFDA Title:
COMMUNITY DEVELOPMENT BLOCK GRANTS/ STATE'S PROGRAM

*12. Funding Opportunity Number:
*Title:
Community Development Block Grant (CDBG) Disaster Recovery Funds in Response to Hurricane Sandy

13. Competition Identification Number: NA
Title:
NA

14. Areas Affected by Project (Cities, Counties, States, etc.):
NEW JERSEY - STATEWIDE

*15. Descriptive Title of Applicant's Project:
New Jersey Community Development Block Grant-Disaster Recovery Program, to assist the nine most impacted counties that were affected by Superstorm Sandy. At least 80% of the disaster recovery funds will be dedicated to the nine most affected counties: Atlantic, Bergen, Essex, Hudson, Middlesex, Monmouth, Union, Ocean, and Cape May. The Action Plan provides more in depth details of the program.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424 Version 02

16. Congressional Districts Of: **Congressional Districts 1- 12**
 *a. Applicant **State of New Jersey** *b. Program/Project: **CDBG-DR Hurricane Sandy**

Attach an additional list of Program/Project Congressional Districts if needed.
NA

17. Proposed Project: **New Jersey Community Development Block Grant-Disaster Recovery Program**
 *a. Start Date: **10/29/2012** *b. End Date: **4/20/2015**

18. Estimated Funding (\$):

*a. Federal	\$372,680,808.00	
*b. Applicant	\$1,693,356,271.00	
*c. State	\$180,000,000.00	These figures are estimates
*d. Local	\$2,735,566.00	
*e. Other		
*f. Program Income	\$2,000,000.00	
*g. TOTAL	\$2,250,772,645.00	

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on
 b. Program is subject to E.O. 12372 but has not been selected by the State for review.
 c. Program is not covered by E.O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)
 Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

**I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: **Mr.** *First Name: **Richard**
 Middle Name: **E**
 *Last Name: **Constable**
 Suffix: **III**
 *Title: **Commissioner, N.J. Department of Community Affairs**
 *Telephone Number: **609-292-6420** Fax Number: **609-984-6696**
 *Email: **Richard.Constable@dca.state.nj.us**
 *Signature of Authorized Representative: *Richard Constable* Date Signed: **3-27-13**

Application for Federal Assistance SF-424

Version 02

***Applicant Federal Debt Delinquency Explanation**

The following field should contain an explanation if the Applicant organization is delinquent on any Federal Debt. Maximum number of characters that can be entered is 4,000. Try and avoid extra spaces and carriage returns to maximize the availability of space.

APPENDIX A: ALLOCATION AND METHOD OF DISTRIBUTION

Table 4-1 Method of Distribution

Category (Action Plan Section No.)	Allocation Level		Program (Action Plan Section No.)	Allocation Level	Estimated LMI Benefit	Maximum Housing Award	Estimated Unit Benefit
	Total Amount	Estimated LMI Amount					
Homeowner Assistance Programs (4.1)	\$780,000,000	\$528,000,000	Reconstruction, Rehabilitation, Elevation and Mitigation Program (4.1.1)	\$600,000,000	70%	\$150,000	6,000
			Housing Resettlement Program (4.1.2)	\$180,000,000	60%	\$10,000	18,000
Total	\$780,000,000	\$528,000,000		\$780,000,000			
Rental Housing and Renter Programs (4.2)	\$379,520,000	\$366,544,000	Fund for Restoration of Large Multi-Family Housing (4.2.1)	\$179,520,000	95%	\$120,000	1,700
			Small Rental Properties (4.2.2)	\$70,000,000	100%	\$50,000	1,750
			Pre-development Fund (4.2.3.1)	\$10,000,000	90%	\$500,000	1,000
			Blight Reduction Pilot Program (4.2.3.2)	\$30,000,000	90%	\$250,000	120
			Incentives for Landlords (4.2.4.1)	\$40,000,000	100%	\$50,000	1,000
			Sandy Home Buyer Assistance Program*(4.2.5)	\$25,000,000	100%	\$50,000	500
			Sandy Special Needs Housing Fund** (4.2.6)	\$25,000,000	100%	\$100,000	250
Total	\$379,520,000	\$366,544,000		\$379,520,000			
Economic Revitalization (4.3)	\$460,000,000	\$69,000,000	Grants/Forgivable Loans to Small Businesses (4.3.1)	\$260,000,000	15%		
			Direct Loans for Small Businesses (4.3.2)	\$100,000,000			
			Neighborhood and Community Revitalization (4.3.3)	\$75,000,000			
			Tourism Marketing (4.3.4)	\$25,000,000			
Total	\$460,000,000	\$69,000,000		\$460,000,000			
Support for Governmental Entities (4.4)	\$116,000,000	\$29,000,000	FEMA Match Program (4.4.1)	\$50,000,000	25%		
			Continuation and Enhancement of Essential Public Services (4.4.2)	\$60,000,000	25%		
			Code Enforcement (4.4.3)	\$6,000,000	25%		
Total	\$116,000,000	\$29,000,000		\$116,000,000			
Supportive Services Programs (4.5)	\$10,000,000	\$10,000,000	Supportive Services Program (4.5.1)	\$10,000,000	100%		
Total	\$10,000,000	\$10,000,000		\$10,000,000			
Planning, Oversight and Monitoring (4.6)	\$84,000,000	N/A	Administrative/Planning	\$84,000,000	N/A		
Total		\$1,002,544,000 (Estimated)	Total	\$1,829,520,000	57.4%		

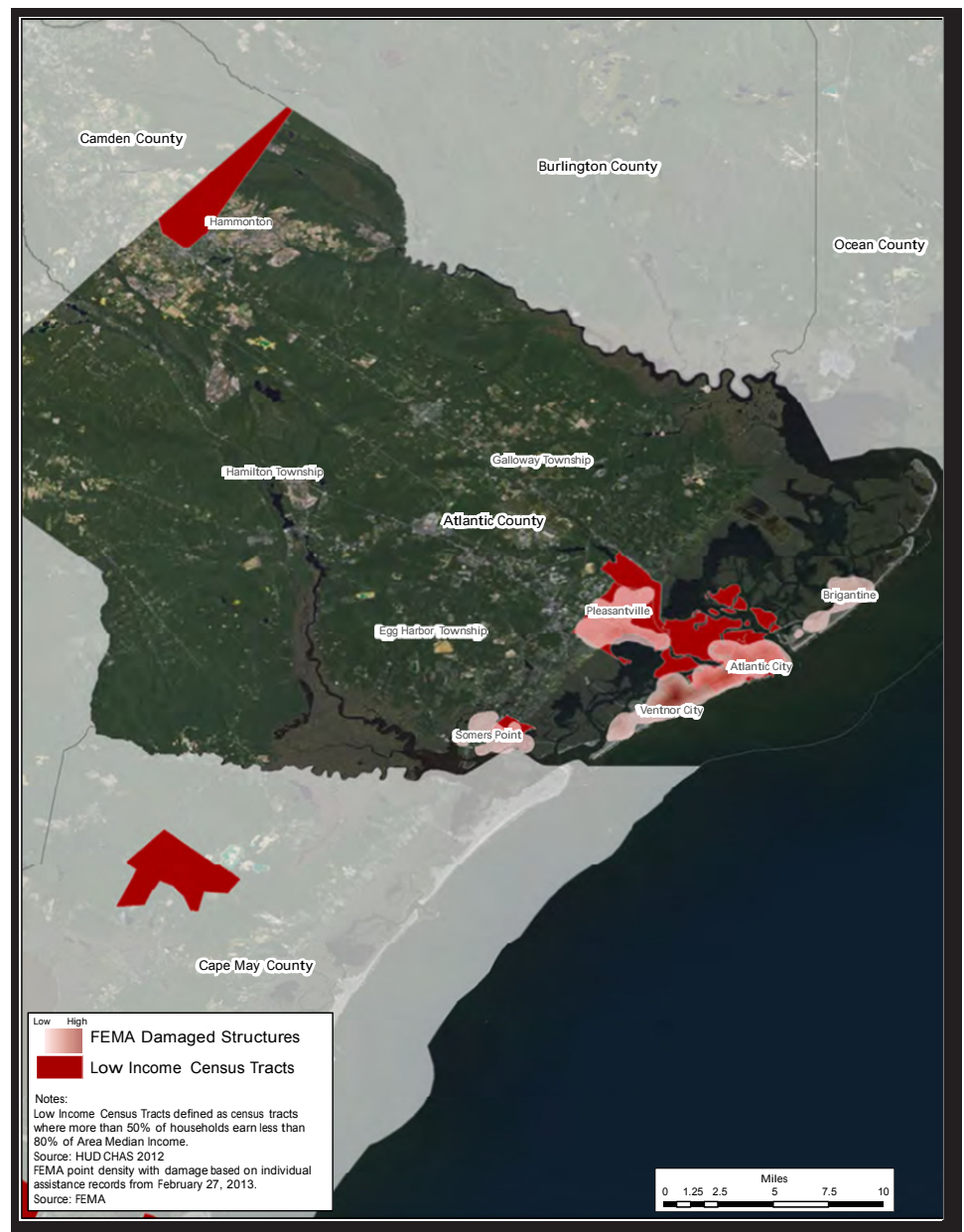
*Program provides assistance to renters seeking homeownership

**Program provides additional rental units for special needs households

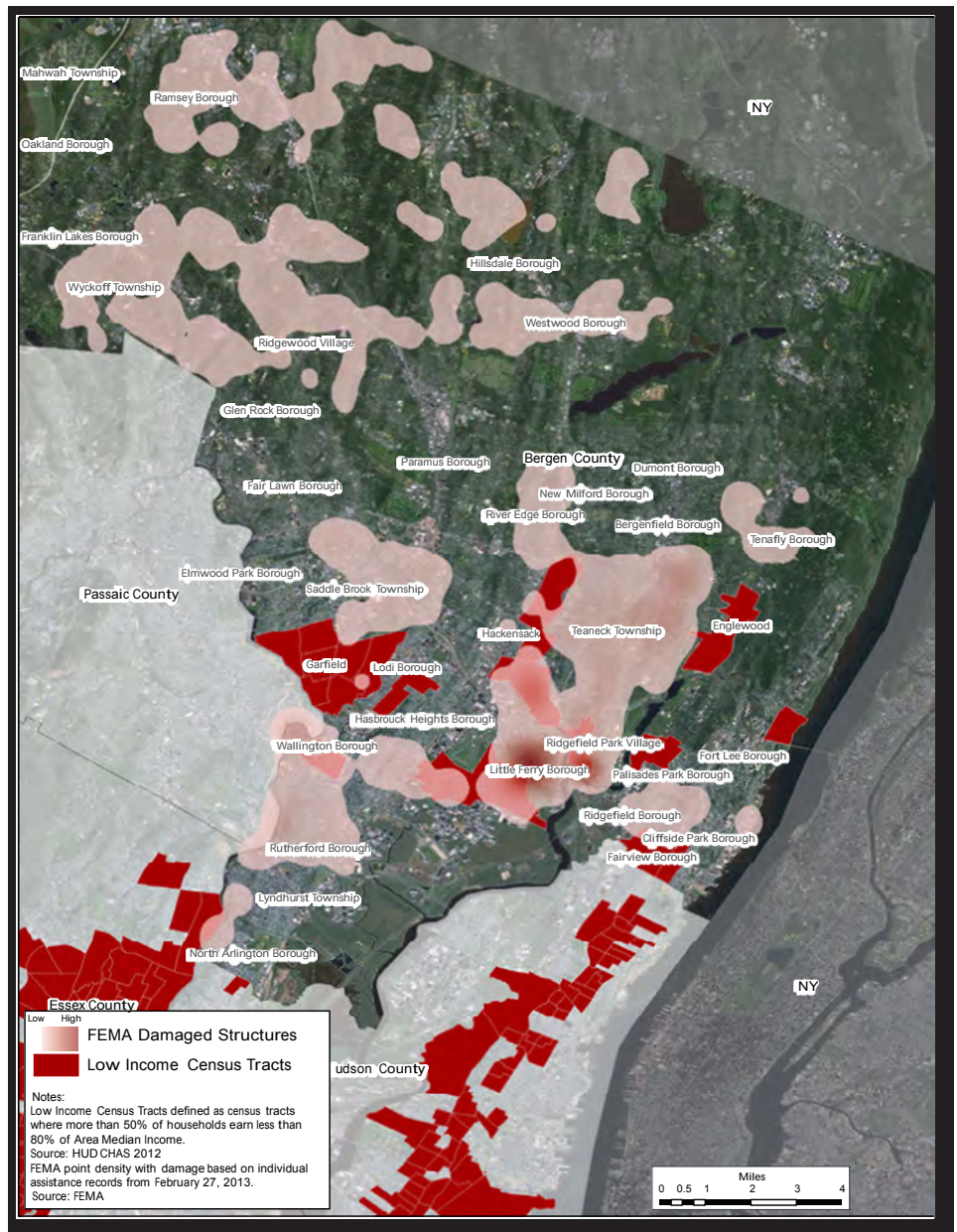
Percentage of Funds to Impacted and Distressed Counties				
Category	Program	Allocation	Portion of Allocation Benefiting Most Impacted and Distressed Counties	Percentage to Benefit Most Impacted and Distressed Counties
Homeowner Assistance Programs (4.1)	Reconstruction, Rehabilitation, Elevation and Mitigation Program (4.1.1)	\$600,000,000	\$600,000,000	100%
	Housing Resettlement Program (4.1.2)	\$180,000,000	\$180,000,000	100%
Rental Housing and Renter Programs (4.2)	Fund for Large Multi-Family (4.2.1)	\$179,520,000	\$125,664,000	70%
	Small Rental Properties (4.2.2)	\$70,000,000	\$49,000,000	70%
	Pre-development Fund (4.2.3.1)	\$10,000,000	\$8,000,000	80%
	Blight Reduction Pilot Program (4.2.3.2)	\$30,000,000	\$24,000,000	80%
	Incentives for Landlords (4.2.4.1)	\$40,000,000	\$30,000,000	75%
	Sandy Home Buyer Assistance Program (4.2.5)	\$25,000,000	\$24,500,000	98%
	Sandy Special Needs Housing Fund (4.2.6)	\$25,000,000	\$18,750,000	75%
Economic Revitalization (4.3)	Grants/Forgivable Loans to Small Businesses (4.3.1)	\$260,000,000	\$195,000,000	75%
	Direct Loans for Small Businesses (4.3.2)	\$100,000,000	\$75,000,000	75%
	Neighborhood and Community Revitalization Program (4.3.3)	\$75,000,000	\$56,250,000	75%
	Tourism Marketing (4.3.4)	\$25,000,000	\$18,750,000	75%
Support for Governmental Entities (4.4)	FEMA Match Program (4.4.1)	\$50,000,000	\$40,000,000	80%
	Continuation and Enhancement of Essential Public Services (4.4.2)	\$60,000,000	\$57,000,000	95%
	Code Enforcement (4.4.3)	\$6,000,000	\$5,400,000	90%
Supportive Services (4.5)	Supportive Services Programs (4.5.1)	\$10,000,000	\$9,000,000	90%
Planning, Oversight and Monitoring (4.6)	Planning, Oversight and Monitoring	\$84,000,000	N/A	N/A
Total	Total	\$1,829,520,000	\$1,516,314,000	86.9%

APPENDIX B: MAP SERIES ILLUSTRATING LOW AND MODERATE INCOME CENSUS TRACTS (OVERLAID WITH STORM DAMAGE BY COUNTY)

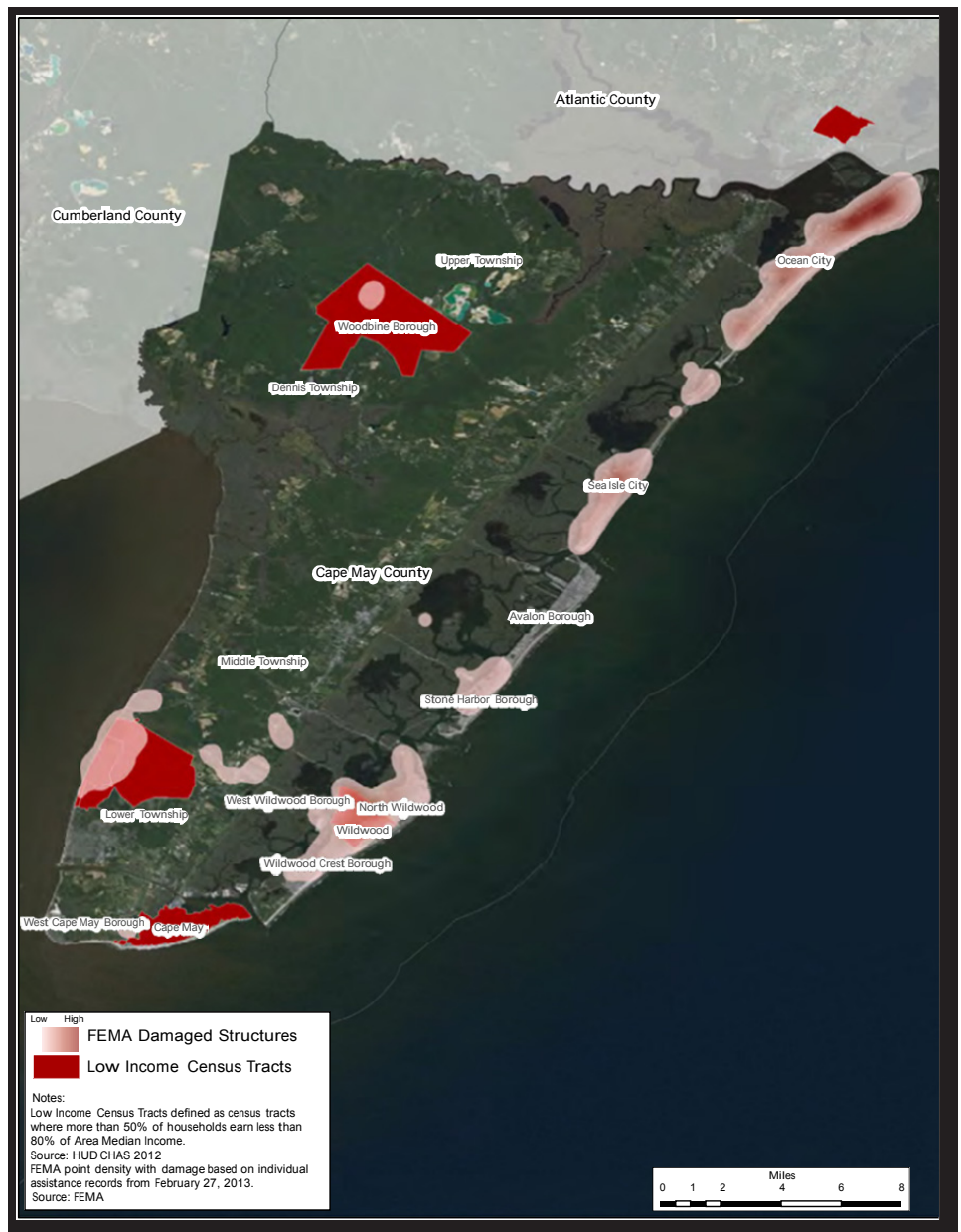
Map Series - Low and Moderate Income Census Tracts and Storm
Damage by County - Atlantic County



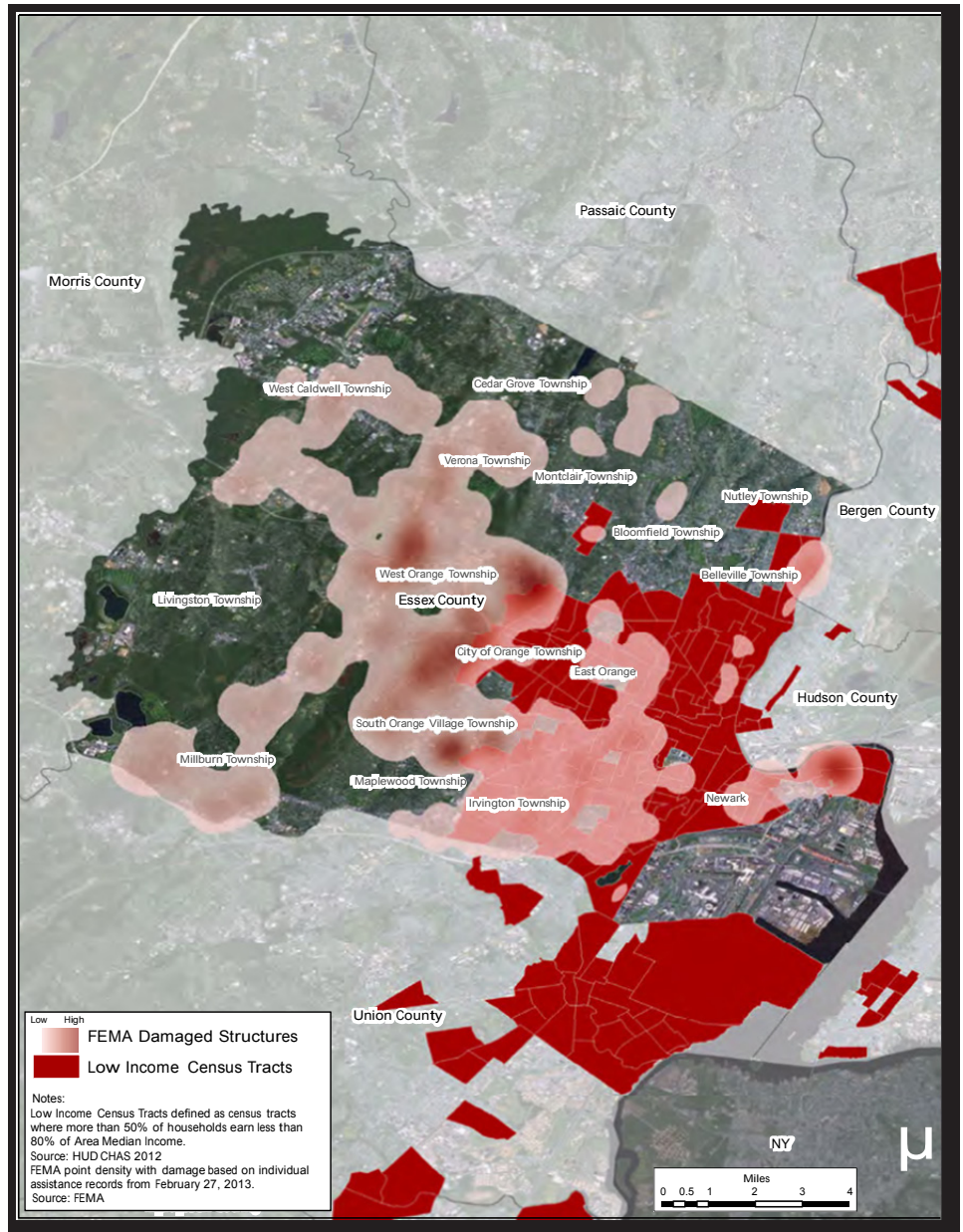
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Bergen County



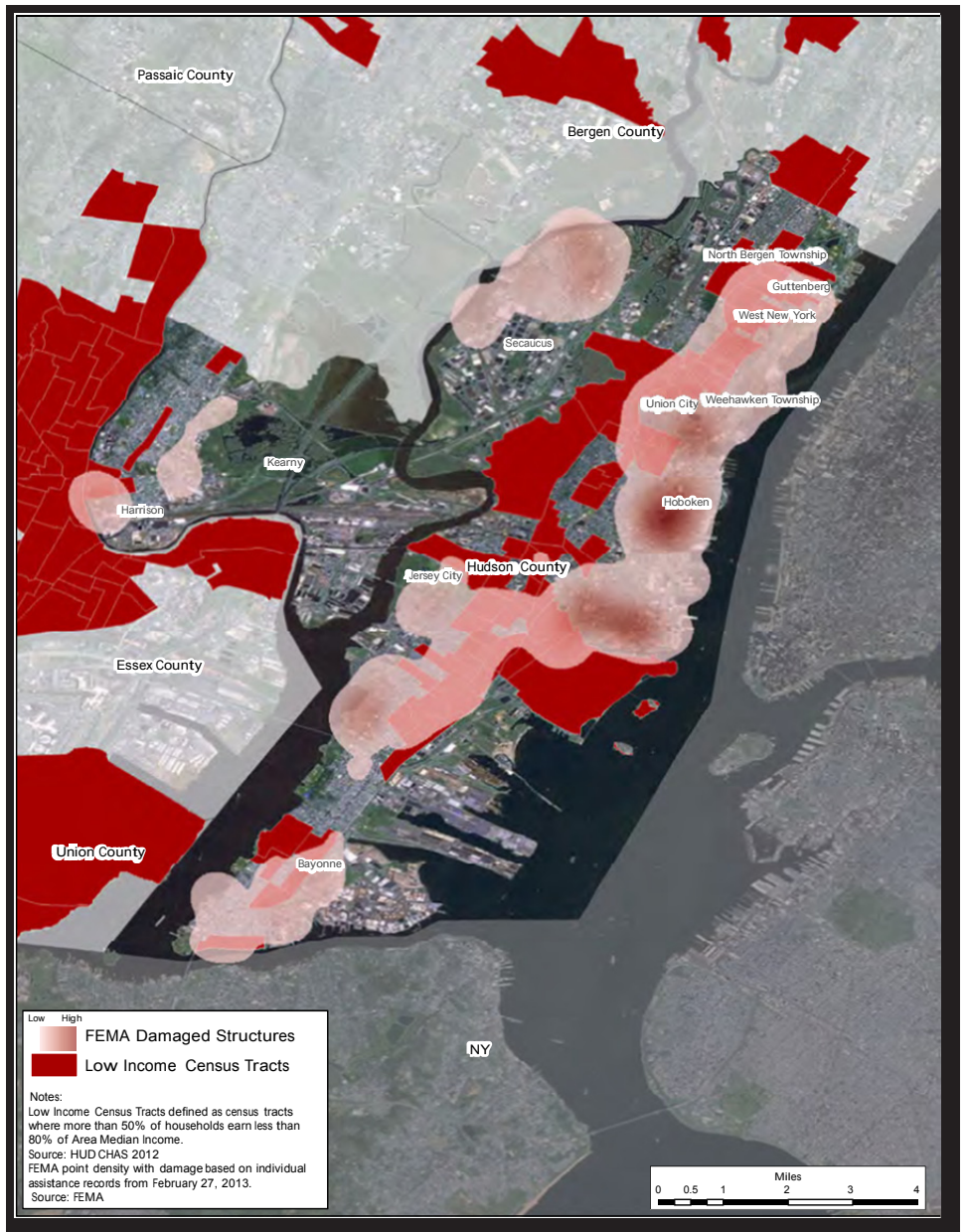
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Cape May County



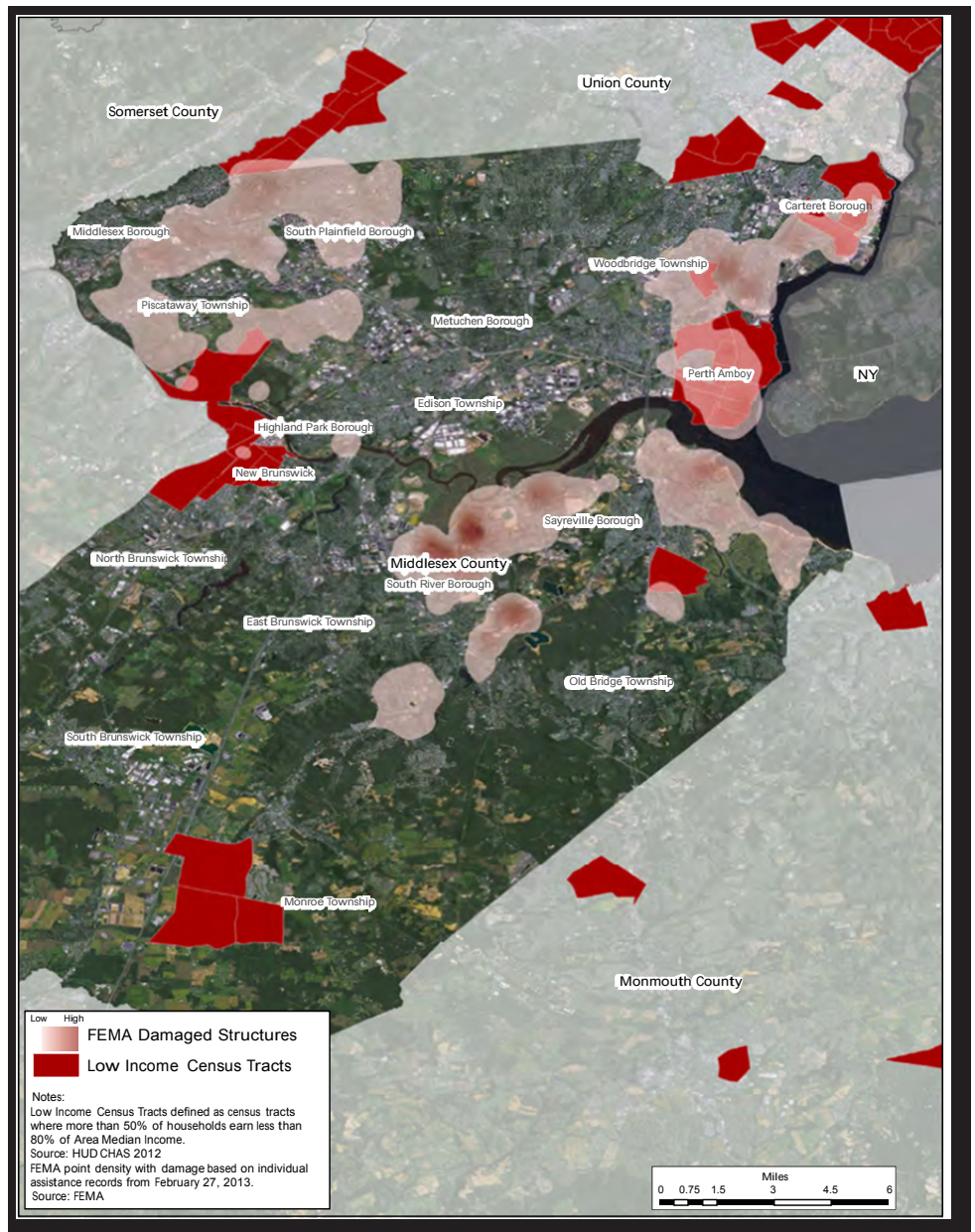
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Essex County



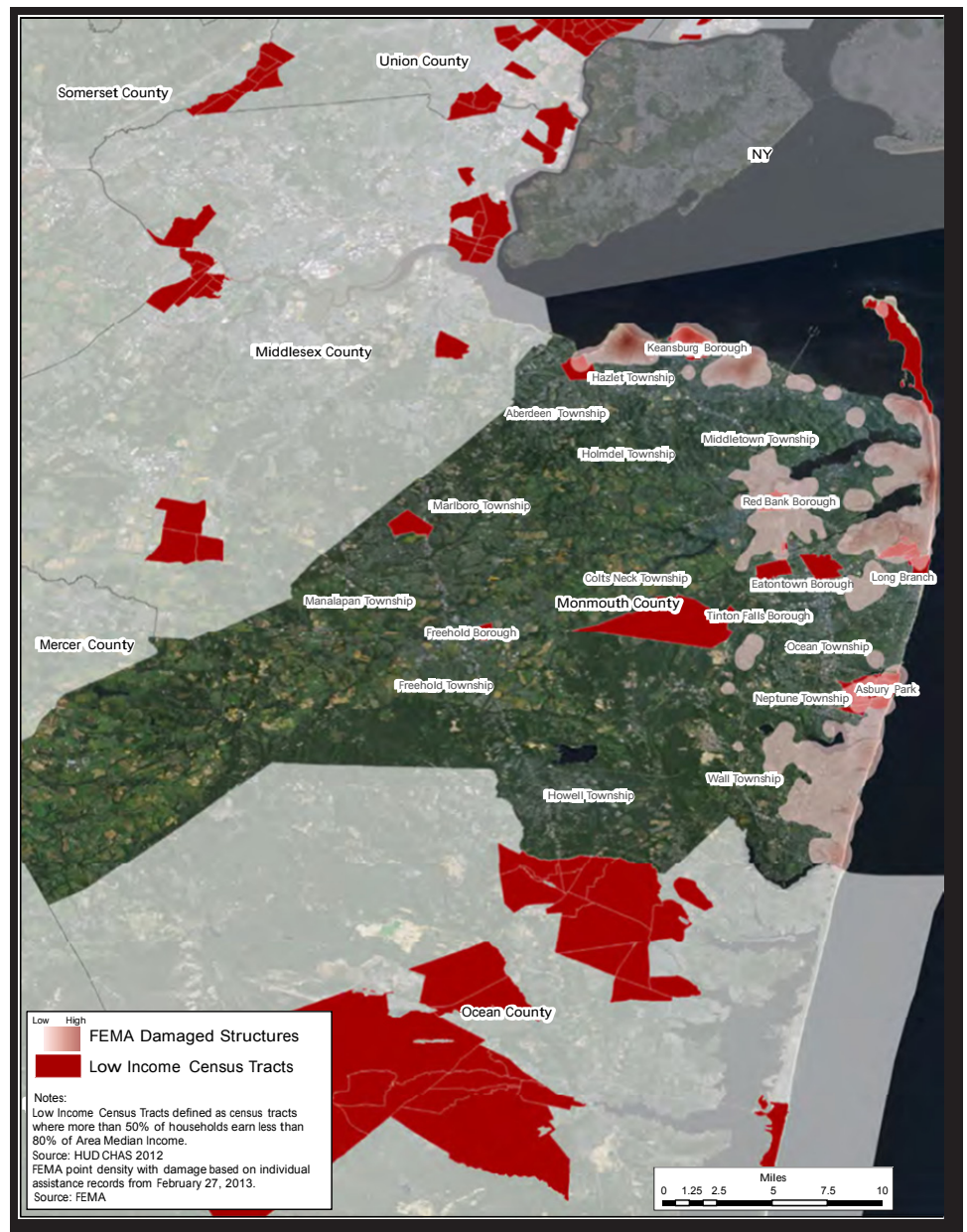
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Hudson County



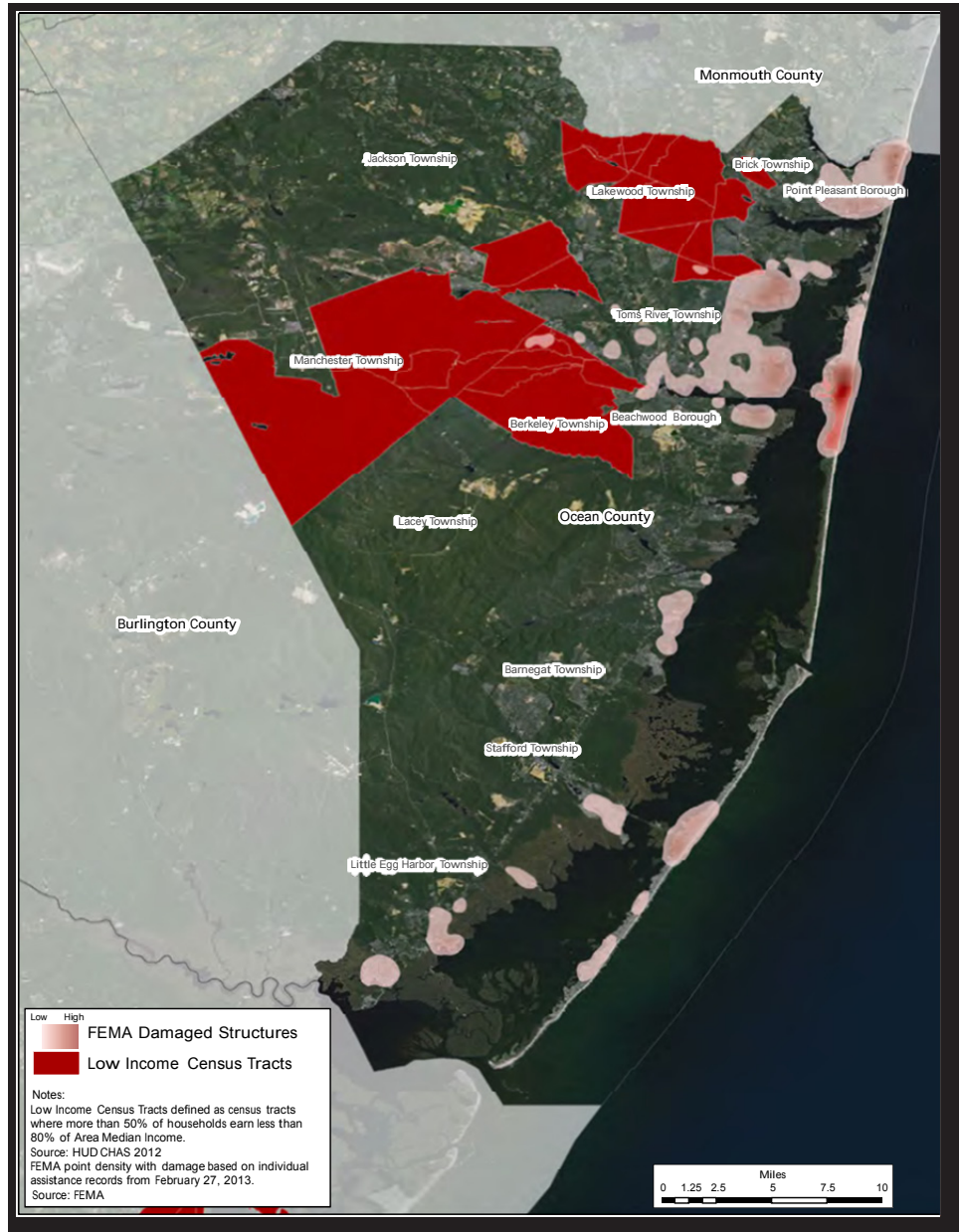
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Middlesex County



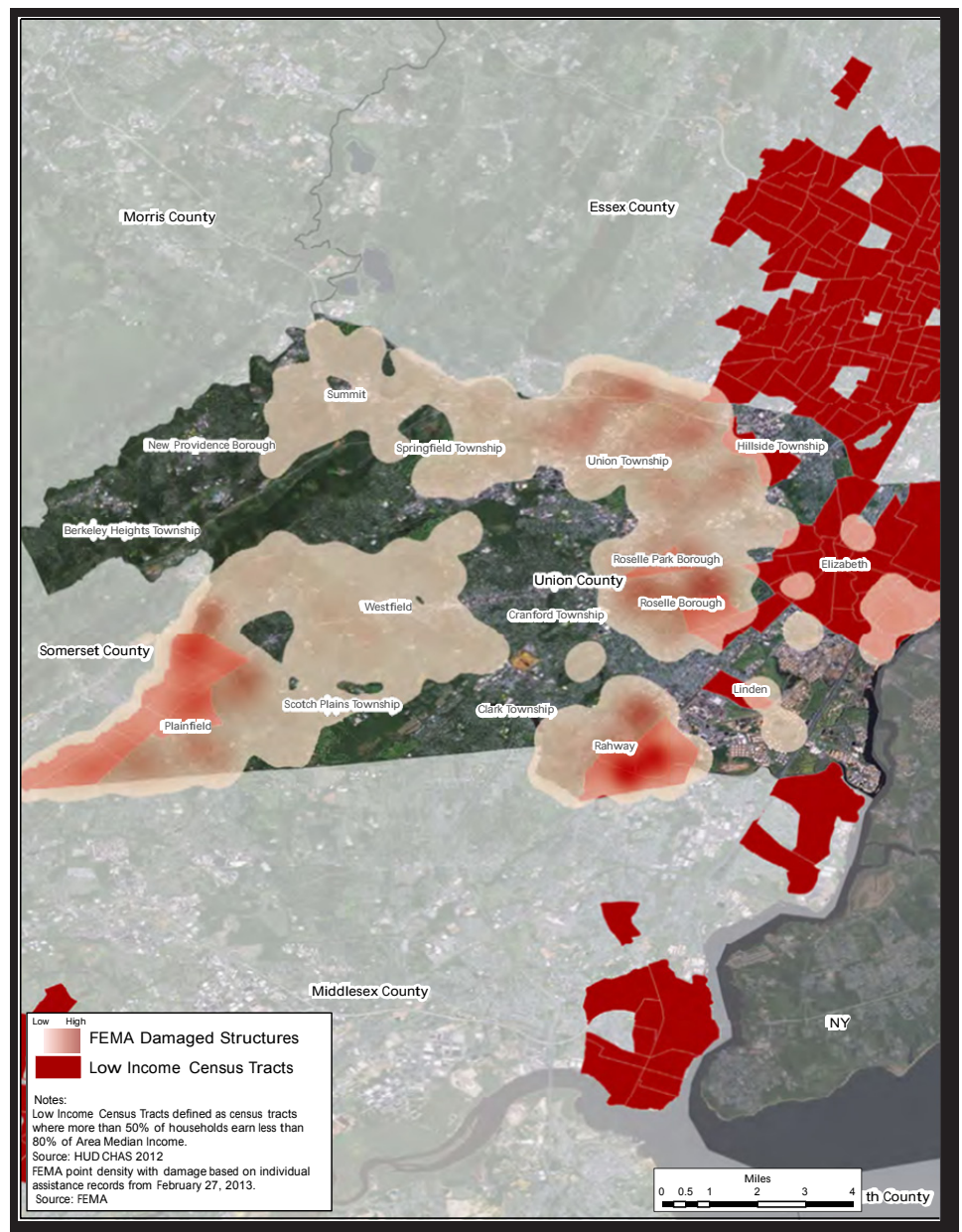
Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Monmouth County



Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Ocean County



Map Series - Low and Moderate Income Census Tracts and Storm Damage by County - Union County



APPENDIX B: DEMOGRAPHICS OF IMPACTED COUNTIES BY CENSUS TRACT

AREAS WITH 50% OR MORE HOUSEHOLDS WITH MAJOR OR SEVERE DAMAGE
 AREAS WITH 20% OR MORE HOUSEHOLDS WITH MAJOR OR SEVERE DAMAGE
 AREAS WITH 10% OR MORE HOUSEHOLDS WITH MAJOR OR SEVERE DAMAGE

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Non-White Youth	Median HH Income	% Non-Seasonal Veterans	% of Homes that are Seasonally Vacant	% Households Over 65 Living Alone	% Black Nonwhite	% Asian & Pacific Islander Nonwhite	% Native American Nonwhite	% White (Non-Hispanic) Nonwhite	% Hispanic Nonwhite	% of Households with Overcrowding (more than 1.0 Person per Room)	% Occupied Nonwhite	% Renters Occupied	% Renters in Small Buildings (2 Units)	% Black Renters	% White (Non-Hispanic) Pacific Islander Nonwhite	% Asian & Pacific Islander Nonwhite	% Hispanic Nonwhite
9 AREAS WITH 50% OR MORE HOUSEHOLDS WITH MAJOR OR SEVERE DAMAGE																					
ATLANTIC COUNTY		8.5%	102,573	127,514	\$55,222	8%	1.2%	7%	15%	6%	0%	67%	16%	4%	62%	38%	46%	23%	40%	9%	27%
CENSUS TRACTS WITH DAMAGED HOMES																					
City of Absecon	34000100300	1%	1,033	1,060	\$54,728	2%	0%	8%	19%	9%	0%	52%	7%	1%	64%	36%	3%	32%	2%	2%	
City of Absecon	34000100200	1%	2,171	2,340	\$75,104	7%	0%	10%	1%	0%	0%	83%	4%	0%	6%	8%	3%	8%	0%	1%	
City of Atlantic City	34000100100	51%	504	500	\$5,808	1%	1%	2%	2%	2%	2%	15%	3%	3%	2%	2%	2%	1%	1%	1%	
City of Atlantic City	34000100500	47%	1,036	1,211	\$27,060	11%	3%	6%	9%	13%	2%	26%	31%	14%	4%	57%	44%	17%	26%	22%	
City of Atlantic City	34000100200	67%	608	608	\$38,747	7%	5%	8%	8%	2%	0%	82%	6%	6%	47%	53%	11%	3%	3%	23%	
City of Atlantic City	34000100300	40%	1,388	1,884	\$35,525	10%	5%	14%	5%	10%	1%	32%	36%	13%	28%	72%	50%	7%	3%	40%	
City of Atlantic City	34000100400	36%	1,195	1,513	\$38,867	16%	5%	13%	8%	1%	0%	7%	1%	1%	45%	55%	26%	61%	0%	1%	
City of Atlantic City	34000100200	26%	774	1,137	\$30,407	27%	5%	6%	6%	21%	1%	17%	3%	7%	34%	66%	36%	7%	16%	32%	
City of Atlantic City	34000100300	26%	1,480	2,118	\$43,238	10%	30%	20%	5%	6%	6%	64%	10%	2%	60%	34%	11%	0%	73%	18%	
City of Atlantic City	34000100400	27%	1,517	1,848	\$29,260	14%	1%	13%	7%	1%	1%	11%	1%	2%	38%	72%	41%	7%	6%	1%	
City of Atlantic City	34000100500	16%	681	844	\$14,048	19%	0%	31%	61%	17%	1%	17%	1%	1%	1%	2%	85%	5%	58%	17%	
City of Atlantic City	34000100200	14%	1,846	2,559	\$38,888	25%	2%	30%	56%	3%	0%	27%	6%	1%	39%	61%	3%	5%	3%	2%	
City of Atlantic City	34000100100	14%	1,184	1,169	\$20,138	1%	0%	28%	82%	1%	0%	9%	5%	1%	18%	82%	10%	8%	9%	6%	
City of Atlantic City	34000100200	7%	1,203	1,868	\$18,368	2%	7%	24%	34%	10%	0%	4%	1%	6%	95%	24%	22%	42%	10%	14%	
City of Atlantic City	34000100300	6%	795	1,061	\$29,724	19%	6%	13%	82%	5%	0%	7%	1%	6%	84%	15%	62%	3%	6%	10%	
City of Atlantic City	34000100400	6%	1,446	2,644	\$30,938	14%	30%	8%	14%	5%	0%	48%	21%	10%	4%	57%	22%	24%	3%	26%	
City of Atlantic City	34000100500	6%	1,181	2,191	\$24,623	6%	4%	6%	6%	1%	0%	6%	1%	0%	5%	11%	3%	6%	6%	0%	
City of Brigantine	34000101002	27%	621	1,069	\$55,880	3%	5%	13%	1%	1%	0%	90%	2%	0%	65%	35%	16%	3%	75%	15%	
City of Brigantine	34000101004	10%	807	1,029	\$46,765	4%	1%	2%	0%	0%	0%	97%	0%	0%	6%	9%	0%	0%	0%	7%	
City of Brigantine	34000101006	6%	1,222	2,283	\$46,534	3%	4%	5%	8%	9%	0%	67%	10%	4%	5%	41%	18%	20%	5%	22%	
City of Estil Manor	34000101100	2%	1,808	2,068	\$40,347	4%	5%	1%	1%	0%	1%	9%	1%	1%	1%	11%	2%	2%	6%	26%	
City of Linwood	34000125002	4%	618	666	\$21,823	0%	0%	21%	0%	0%	0%	84%	0%	0%	8%	2%	0%	54%	0%	0%	
City of Linwood	34000124002	4%	602	542	\$33,375	8%	2%	6%	0%	0%	0%	95%	2%	0%	9%	3%	1%	0%	100%	0%	
City of Margate City	34000131003	30%	753	2,957	\$37,860	3%	6%	2%	6%	0%	0%	85%	0%	0%	42%	57%	12%	0%	9%	0%	
City of Margate City	34000131001	27%	688	1,179	\$74,028	5%	3%	13%	0%	0%	0%	97%	0%	0%	9%	9%	0%	0%	100%	0%	
City of Margate City	34000131000	16%	1,755	3,049	\$84,228	1%	4%	0%	0%	0%	0%	94%	0%	0%	0%	20%	4%	0%	79%	0%	
City of Pleasantville	34000120000	17%	1,628	1,791	\$36,571	3%	2%	16%	41%	1%	0%	20%	17%	8%	6%	35%	18%	54%	26%	2%	
City of Pleasantville	34000121000	17%	822	1,040	\$46,462	19%	2%	5%	32%	0%	0%	20%	34%	2%	16%	37%	15%	23%	15%	0%	
City of Pleasantville	34000122000	1%	2,828	3,121	\$38,131	6%	0%	14%	6%	0%	0%	78%	1%	0%	44%	56%	14%	6%	2%	16%	
City of Somers Point	34000128002	5%	895	1,221	\$49,787	10%	16%	18%	4%	0%	0%	68%	4%	4%	74%	26%	10%	15%	85%	0%	
City of Somers Point	34000128001	1%	1,744	2,033	\$38,918	7%	0%	1%	2%	0%	0%	71%	8%	0%	44%	56%	18%	36%	54%	0%	
City of Somers Point	34000127001	1%	1,381	1,570	\$51,453	7%	7%	9%	2%	2%	0%	87%	6%	0%	6%	34%	11%	6%	76%	5%	
City of Somers Point	34000127002	1%	793	932	\$47,617	5%	8%	8%	8%	0%	0%	87%	3%	0%	6%	31%	9%	0%	90%	12%	
City of Ventnor City	34000133003	46%	810	1,410	\$42,000	17%	2%	7%	2%	0%	0%	78%	11%	1%	6%	64%	30%	14%	6%	1%	
City of Ventnor City	34000133002	39%	1,386	1,653	\$48,750	9%	20%	15%	1%	0%	0%	81%	15%	3%	6%	38%	15%	3%	56%	0%	
City of Ventnor City	34000133001	31%	1,200	2,224	\$46,817	11%	3%	14%	0%	0%	0%	76%	9%	0%	27%	71%	12%	0%	9%	8%	
City of Ventnor City	34000133000	24%	868	1,087	\$54,268	4%	4%	16%	1%	0%	0%	74%	18%	5%	5%	41%	22%	0%	67%	0%	
Township of Egg Harbor	34000101100	30%	3,068	3,289	\$103,558	1%	0%	1%	0%	0%	0%	99%	0%	0%	0%	7%	0%	0%	100%	0%	
Township of Egg Harbor	34000101806	4%	818	851	\$79,750	4%	0%	4%	3%	0%	0%	94%	0%	0%	0%	100%	0%	0%	0%	0%	
Township of Egg Harbor	34000101804	2%	2,383	2,634	\$75,861	5%	5%	4%	5%	0%	0%	97%	0%	0%	0%	6%	0%	0%	100%	0%	
Township of Egg Harbor	34000101805	1%	1,512	2,284	\$53,621	9%	7%	7%	8%	0%	0%	70%	17%	0%	8%	15%	8%	4%	58%	2%	
Township of Gallopaw	34000105000	1%	2,684	3,260	\$47,000	5%	4%	13%	3%	1%	0%	90%	4%	0%	8%	14%	7%	8%	81%	4%	
Township of Hamilton	34000103000	1%	2,316	3,207	\$59,227	4%	0%	3%	17%	0%	0%	84%	2%	0%	15%	85%	25%	66%	33%	0%	
Township of Hamilton	34000103400	1%	1,532	1,595	\$71,184	3%	0%	9%	0%	0%	0%	92%	4%	0%	1%	8%	0%	0%	100%	0%	
Township of Mullica	34000107000	4%	1,981	2,183	\$51,422	6%	2%	6%	6%	0%	0%	77%	16%	1%	8%	14%	1%	3%	8%	37%	
BERGEN COUNTY																					
CENSUS TRACTS WITH DAMAGED HOMES		0.8%	316,802	366,843	\$83,443	5%	0%	7%	6%	1.2%	0%	67%	14%	3%	66%	34%	4%	9%	51%	16%	2%
CENSUS TRACTS WITH DAMAGED HOMES																					
Borough of Bogota	34003004000	2%	1,050	1,137	\$82,627	7%	0%	4%	6%	0%	0%	52%	32%	2%	68%	32%	17%	18%	0%	41%	
Borough of East Rutherford	34003002000	2%	1,408	1,582	\$67,474	11%	0%	14%	0%	0%	0%	77%	9%	7%	57%	43%	26%	0%	60%	14%	
Borough of Edgewater	34003003000	1%	2,956	2,811	\$64,038	6%	0%	7%	8%	0%	0%	77%	10%	0%	6%	10%	0%	6%	63%	28%	
Borough of Elmwood Park	34003005000	1%	1,174	1,174	\$61,174	1%	0%	1%	1%	0%	0%	98%	1%	0%	0%	0%	0%	0%	0%	100%	
Borough of Little Ferry	34003009000	10%	1,888	1,642	\$51,796	3%	0%	12%	7%	2%	0%	47%	13%	4%	3%	67%	17%	11%	3%	43%	
Borough of North Arlington	34003008000	1%	2,225	2,274	\$74,103	2%	0%	14%	3%	1%	0%	78%	15%	0%	21%	25%	26%	2%	74%	2%	
Borough of North Plainfield	34003001000	3%	979	1,012	\$113,667	3%	0%	14%	4%	1%	0%	7%	17%	2%	74%	21%	15%	18%	46%	31%	
Borough of Wallington	34003067000	3%	1,448	1,469	\$53,030	3%	0%	7%	3%	2%	0%	7%	7%	1%	4%	58%	43%	5%	80%	3%	
Borough of Wallington	34003067100	1%	1,587	1,723	\$46,179	8%	0%	11%	1%	2%	0%	88%	7%	4%	5%	42%	33%	0%	84%	4%	
Borough of Wood-Ridge	34003060000	1%	2,413	3,068	\$89,488	5%	0%	9%	0%	1%	0%	90%	8%	0%	8%	20%	14%	7%	7%	4%	
City of Hackensack	34003021000	1%	1,070	1,351	\$30,832	6%	6%	6%	2%	0%	0%	47%	3%	0%	5%	75%	36%	3%	40%	4%	
City of Hackensack	34003022000	2%	1,484	1,613	\$45,595	8%	0%	12%	3%	1%	0%	26%	47%	6%	2%	77%	45%	23%	26%	1%	
City of Hackensack	34003023000	1%	1,066	1,210	\$46,923	1%	1%	9%	21%	1%	0%	27%	3%	5%	1%	88%	2%	3%	2%	10%	
Township of Lyndhurst	34003038000	6%	1,882	2,013	\$63,900	7%	0%	15%	4%	4%	0%	75%	14%	0%	6%	37%	19%	10%	7%	10%	
Township of Lyndhurst	34003039000	2%	1,891	2,112	\$46,825	8%	3%	11%	3%	4%	0%	74%	10%	1%	61%	39%	23%	2%	73%	9%	
Township of Newark	34003054000	1%	1,676	2,141	\$154,600	4%	1%														

Municipality	Census Tract	% of Households with Major/Severe Damage	Household	Housing Units	Median HH Income	% Non-Separated Veterans	% of Homes that are Seasonal or Vacant	% Households Over 60 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% of Households with Overcrowding (more than 1.0 Person per room)	% Owned Occupied Households	% Renter Occupied Households	% Renter in Small Building (2-5 Units)	% White (Non-Hispanic) Renter	% Asian & Pacific Islander Renter	% Hispanic Renter
CENSUS TRACTS WITH DAMAGED HOMES																				
City of Newark	34033007502	6%	962	1,157	\$30,743	17%	0%	6%	2%	5%	0%	26%	50%	10%	18%	82%	8%	27%	18%	6%
City of Newark	34033007501	1%	1,307	1,628	\$29,731	10%	4%	0%	15%	1%	0%	26%	46%	4%	1%	88%	5%	17%	2%	47%
City of Newark	34033007600	2%	1,024	1,149	\$42,777	12%	0%	4%	0%	2%	0%	59%	31%	4%	1%	88%	6%	0%	5%	31%
City of Newark	34033006900	1%	467	523	\$33,069	28%	0%	0%	0%	0%	0%	0%	26%	0%	0%	24%	0%	0%	0%	30%
City of Newark	34033006400	1%	339	447	\$39,353	28%	0%	0%	0%	0%	0%	0%	4%	0%	0%	64%	36%	2%	100%	0%
Township of Belleville	34033044000	3%	1,429	1,678	\$60,975	14%	1%	1%	0%	0%	0%	39%	14%	1%	44%	56%	24%	10%	0%	48%
HUDSON COUNTY																				
CENSUS TRACTS WITH DAMAGED HOMES																				
City of Bayonne	34037010800	11%	1,230	1,389	\$84,953	11%	1%	0%	6%	5%	0%	72%	14%	0%	47%	53%	21%	58%	11%	27%
City of Bayonne	34037011400	6%	1,222	1,413	\$67,944	14%	0%	10%	0%	0%	0%	77%	17%	0%	46%	54%	31%	9%	0%	12%
City of Bayonne	34037011000	5%	1,788	1,917	\$46,295	7%	0%	0%	0%	0%	0%	63%	21%	0%	32%	68%	24%	28%	5%	1%
City of Bayonne	34037011200	4%	2,440	2,672	\$70,395	8%	0%	1%	2%	2%	0%	82%	13%	0%	54%	46%	33%	1%	71%	2%
City of Bayonne	34037010100	3%	2,182	2,407	\$84,558	6%	0%	1%	3%	4%	1%	84%	2%	0%	43%	57%	44%	14%	5%	2%
City of Bayonne	34037010600	1%	2,783	3,085	\$85,816	6%	0%	2%	0%	4%	0%	66%	15%	0%	32%	68%	30%	12%	56%	7%
City of Bayonne	34037010300	1%	1,302	1,362	\$54,045	4%	0%	0%	0%	0%	0%	70%	17%	0%	50%	50%	38%	5%	8%	25%
City of Hoboken	34037018900	1%	1,157	1,288	\$82,216	10%	0%	0%	0%	0%	0%	83%	14%	0%	32%	68%	44%	0%	64%	0%
City of Hoboken	34037018800	1%	1,766	1,922	\$100,373	8%	0%	0%	1%	1%	0%	85%	1%	0%	24%	76%	19%	1%	87%	1%
City of Hoboken	34037018100	1%	1,802	2,062	\$87,813	7%	1%	1%	0%	0%	0%	83%	24%	0%	21%	79%	2%	4%	0%	26%
City of Hoboken	34037018000	10%	2,756	3,049	\$185,625	11%	0%	1%	0%	1%	0%	81%	7%	0%	53%	47%	15%	0%	88%	2%
City of Hoboken	34037018700	9%	2,497	2,801	\$88,761	11%	0%	0%	1%	0%	0%	82%	8%	0%	32%	68%	51%	0%	82%	1%
City of Hoboken	34037018000	8%	2,321	2,617	\$87,484	6%	0%	1%	1%	0%	0%	77%	20%	0%	21%	79%	26%	15%	47%	0%
City of Hoboken	34037018900	8%	1,583	1,702	\$85,072	7%	0%	10%	0%	2%	0%	70%	20%	0%	24%	74%	22%	3%	6%	22%
City of Hoboken	34037018500	6%	2,575	2,928	\$109,090	12%	0%	1%	0%	1%	0%	69%	16%	1%	35%	65%	20%	1%	63%	8%
City of Hoboken	34037018400	1%	2,447	2,535	\$111,917	3%	0%	1%	0%	1%	0%	71%	19%	0%	43%	57%	14%	1%	63%	4%
City of Jersey City	34037006100	2%	801	1,003	\$43,350	23%	0%	0%	0%	0%	0%	41%	37%	0%	32%	68%	42%	1%	1%	0%
City of Jersey City	34037006400	15%	1,825	1,838	\$89,920	6%	1%	0%	0%	0%	0%	27%	73%	0%	0%	100%	0%	51%	17%	25%
City of Jersey City	34037006100	15%	2,317	2,587	\$60,147	11%	0%	0%	0%	0%	0%	23%	23%	0%	47%	53%	30%	42%	14%	3%
City of Jersey City	34037004000	7%	2,744	1,083	\$66,716	11%	1%	0%	2%	20%	1%	19%	16%	10%	39%	61%	46%	33%	17%	3%
City of Jersey City	34037004700	7%	848	1,010	\$51,141	10%	1%	0%	0%	0%	0%	17%	44%	0%	22%	78%	6%	32%	10%	54%
City of Jersey City	34037006900	1%	2,455	2,828	\$80,147	1%	0%	0%	0%	0%	0%	83%	43%	0%	57%	43%	57%	0%	0%	1%
City of Jersey City	34037006700	5%	1,111	1,578	\$122,052	30%	0%	0%	0%	4%	0%	4%	26%	0%	8%	92%	8%	69%	2%	4%
City of Jersey City	34037007500	4%	2,690	2,887	\$67,885	7%	0%	1%	0%	0%	0%	45%	12%	0%	20%	80%	19%	7%	45%	3%
City of Jersey City	34037006802	4%	914	981	\$174,722	4%	3%	4%	0%	5%	0%	88%	13%	0%	64%	36%	5%	0%	6%	15%
City of Jersey City	34037006900	4%	970	1,122	\$89,388	14%	0%	0%	0%	12%	0%	81%	12%	0%	30%	70%	40%	7%	4%	27%
City of Jersey City	34037007300	3%	328	468	\$138,071	6%	0%	0%	0%	0%	0%	53%	47%	0%	42%	58%	33%	0%	14%	0%
City of Jersey City	34037007700	3%	453	523	\$136,539	11%	2%	2%	0%	2%	0%	24%	36%	0%	1%	99%	1%	2%	71%	0%
City of Jersey City	34037006600	3%	507	518	\$66,723	2%	0%	0%	0%	0%	0%	23%	7%	0%	61%	39%	29%	18%	20%	10%
City of Jersey City	34037002300	2%	1,278	1,478	\$80,461	11%	0%	1%	0%	11%	7%	1%	7%	2%	39%	61%	52%	11%	0%	1%
City of Jersey City	34037002700	1%	1,863	2,143	\$48,081	13%	0%	0%	0%	0%	0%	13%	8%	0%	20%	80%	45%	1%	0%	14%
City of Jersey City	34037002400	1%	801	910	\$45,040	11%	0%	0%	0%	0%	0%	6%	46%	0%	51%	49%	47%	55%	4%	0%
City of Jersey City	34037002200	1%	807	874	\$62,574	8%	0%	0%	0%	0%	0%	7%	19%	0%	40%	60%	45%	2%	71%	2%
City of Jersey City	34037002400	1%	1,220	1,441	\$88,047	15%	0%	0%	0%	0%	0%	57%	17%	1%	42%	58%	38%	9%	51%	8%
City of Jersey City	34037004300	1%	1,500	1,787	\$38,440	10%	1%	1%	0%	0%	0%	6%	26%	0%	26%	74%	21%	6%	2%	20%
City of Jersey City	34037004800	1%	1,360	1,613	\$70,283	13%	0%	0%	0%	0%	0%	2%	22%	0%	4%	96%	54%	32%	14%	4%
City of Jersey City	34037007800	1%	667	674	\$28,542	3%	0%	0%	0%	0%	0%	25%	46%	0%	4%	96%	95%	14%	9%	22%
City of Jersey City	34037004300	1%	853	1,037	\$38,788	18%	0%	0%	0%	0%	0%	1%	15%	0%	37%	63%	63%	23%	1%	0%
City of Jersey City	34037008800	1%	1,114	1,408	\$38,392	21%	0%	1%	0%	0%	0%	8%	7%	0%	32%	68%	30%	8%	0%	1%
City of Jersey City	34037004102	1%	1,136	1,279	\$44,525	11%	0%	0%	0%	0%	0%	10%	28%	0%	27%	73%	27%	63%	11%	7%
City of Jersey City	34037007800	1%	1,144	1,048	\$140,274	18%	0%	0%	0%	0%	0%	0%	32%	0%	32%	68%	70%	6%	44%	4%
City of Jersey City	34037006300	1%	971	1,222	\$47,188	21%	0%	0%	0%	0%	0%	4%	19%	1%	42%	58%	50%	81%	0%	0%
City of Jersey City	34037007400	1%	1,859	2,429	\$139,806	18%	1%	1%	0%	0%	0%	6%	7%	2%	21%	79%	0%	4%	6%	2%
City of Jersey City	34037006500	1%	684	819	\$47,155	16%	0%	0%	0%	0%	0%	0%	12%	0%	42%	58%	45%	100%	0%	0%
City of Jersey City	34037007200	1%	1,468	1,538	\$40,079	23%	0%	0%	0%	12%	0%	0%	40%	0%	40%	60%	42%	4%	14%	20%
Township of Harrison	34037013800	1%	484	528	\$58,380	7%	0%	0%	0%	0%	0%	47%	53%	0%	47%	53%	41%	1%	38%	38%
Township of Harrison	34037013700	5%	779	899	\$43,772	13%	0%	0%	0%	0%	0%	41%	49%	10%	34%	66%	57%	1%	4%	4%
Township of Kearny	34037012800	7%	1,427	1,529	\$52,938	3%	4%	1%	0%	0%	0%	55%	3%	0%	50%	50%	39%	3%	7%	4%
Township of Kearny	34037012700	1%	1,862	2,003	\$46,431	7%	0%	1%	0%	1%	0%	58%	31%	0%	50%	50%	36%	4%	60%	1%
Township of Secaucus	34037018900	8%	2,041	2,298	\$88,598	8%	0%	0%	0%	0%	0%	0%	0%	0%	47%	53%	33%	1%	0%	0%
Township of Secaucus	34037018900	0%	2,066	2,261	\$87,170	8%	2%	1%	0%	0%	0%	0%	0%	0%	70%	30%	13%	5%	6%	24%
Township of West New York	34037015801	1%	1,304	1,514	\$146,962	8%	0%	1%	0%	1%	0%	26%	5%	0%	20%	80%	1%	2%	6%	31%
Township of North Bergen	34037014101	2%	1,629	1,814	\$88,739	10%	0%	1%	0%	0%	0%	60%	5%	1%	55%	45%	8%	7%	58%	12%
Township of Weehawen	34037018300	0%	1,382	2,046	\$44,352	10%	0%	1%	0%	0%	0%	65%	21%	0%	39%	61%	47%	15%	5%	2%
Township of Weehawen	34037018300	5%	752	789	\$111,003	5%	0%	0%	0%	0%	0%	6%	16%	0%	38%	62%	20%	4%	6%	2%
MIDDLESEX COUNTY																				
CENSUS TRACTS WITH DAMAGED HOMES																				
Borough of Carteret	34023003800	10%	2,257	2,523	\$58,818	11%	0%	8%	0%	10%	7%	0%	2%	5%	95%	4%	26%	1%	2%	44%
Borough of Carteret	34023003500	3%	1,313	1,383	\$63,472	5%	0%	11%	0%	1%	0%	55%	19%	0%	8%	92%	18%	1%	0%	0%
Borough of Carteret	34023003700	2%	1,228	1,264	\$77,687	3%	0%	1%	0%	0%	0%	57%	7%	1%	7%	93%	1%	1%	2%	17%
Borough of Carteret	34023003800	1%	1,372	2,148	\$62,1															

Municipality	Census Tract	% of Households with Major/Severe Damage	Households	Housing Units	Median HH Income	% Non-Seasonal Vacancies	% of Homes that are Single Family Vacant	% of Households Over 65 Living Alone	% Black Households	% Asian & Pacific Islander Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% of Households with Overcrowding (more than 1.0 person per room)	% of Owners Occupied Households	% Renters Occupied Households	% Renters in Small Buildings (2-9 Units)	% Black Renters	% White (Non-Hispanic) Renters	% Asian & Pacific Islander Renters	% Hispanic Renters	
Borough of Highlands	3402800100	42%	2,425	3,211	\$73,800	1%	13%	3%	0%	0%	0%	97%	0%	2%	2%	27%	1%	0%	81%	0%	1%	
Borough of Kearnsburg	3402800400	24%	2,150	2,305	\$35,882	7%	15%	3%	0%	0%	0%	97%	0%	1%	60%	40%	3%	2%	85%	0%	10%	
Borough of Keyport	3402800400	4%	1,474	1,574	\$82,064	0%	0%	3%	7%	5%	0%	77%	11%	1%	55%	45%	10%	11%	66%	10%	12%	
Borough of Keyport	3402800000	4%	1,718	1,869	\$42,891	6%	30%	3%	0%	0%	0%	80%	16%	3%	50%	50%	9%	5%	81%	0%	14%	
Borough of Lake Como	3402800600	11%	806	1,068	\$79,991	8%	16%	8%	7%	1%	0%	80%	9%	1%	80%	40%	16%	12%	82%	2%	20%	
Borough of Lake Como	3402800700	6%	2,133	2,283	\$49,302	2%	12%	1%	0%	0%	0%	98%	2%	0%	85%	2%	0%	0%	100%	0%	0%	
Borough of Lakeside	3402800800	2%	1,012	1,112	\$71,723	1%	0%	0%	0%	0%	0%	100%	0%	0%	85%	2%	0%	0%	100%	0%	0%	
Borough of Lakeside	3402800900	2%	1,373	1,473	\$75,800	1%	0%	0%	0%	0%	0%	100%	0%	0%	85%	2%	0%	0%	100%	0%	0%	
Borough of Manassah	3402800300	3%	1,200	1,373	\$75,800	0%	3%	8%	0%	0%	0%	100%	0%	0%	74%	26%	14%	0%	100%	0%	0%	
Borough of Monmouth Beach	3402800400	42%	1,619	2,113	\$83,188	5%	18%	13%	1%	0%	0%	95%	1%	0%	62%	38%	5%	3%	94%	0%	0%	
Borough of Monmouth City	3402800500	2%	2,112	2,345	\$70,412	5%	2%	11%	0%	0%	0%	98%	1%	0%	60%	40%	14%	27%	80%	13%	13%	
Borough of Oceanport	3402800600	25%	2,022	2,092	\$88,732	0%	1%	1%	0%	0%	0%	95%	0%	0%	88%	12%	2%	4%	96%	0%	0%	
Borough of Red Bank	3402800700	2%	1,621	1,720	\$42,750	0%	1%	34%	3%	0%	0%	95%	3%	0%	11%	35%	6%	2%	3%	27%	4%	40%
Borough of Rumson	3402800800	28%	990	1,172	\$219,500	11%	4%	7%	0%	0%	0%	98%	1%	1%	0%	3%	7%	0%	0%	100%	0%	0%
Borough of Rumson	3402800900	10%	1,285	1,424	\$111,469	0%	0%	0%	0%	0%	0%	99%	0%	0%	0%	0%	11%	2%	0%	100%	0%	0%
Borough of Sea Cliff	3402800100	4%	1,794	1,821	\$105,000	4%	34%	15%	0%	0%	0%	100%	0%	0%	84%	14%	2%	0%	100%	0%	0%	
Borough of Spring Lake	3402800200	6%	1,267	1,207	\$107,723	7%	3%	20%	0%	0%	0%	98%	1%	0%	0%	3%	7%	2%	0%	100%	0%	0%
Borough of Spring Lake Heights	3402800300	1%	1,134	1,245	\$73,389	1%	1%	0%	1%	0%	0%	97%	3%	0%	60%	40%	19%	0%	92%	2%	7%	
Borough of Spring Lake Heights	3402800400	2%	1,020	1,110	\$85,250	1%	0%	0%	0%	0%	0%	100%	0%	0%	88%	12%	0%	0%	100%	0%	0%	
Borough of Union Beach	3402800500	47%	1,772	1,827	\$89,800	6%	0%	0%	0%	0%	0%	76%	25%	0%	61%	39%	20%	0%	81%	0%	18%	
Borough of West Long Branch	3402800600	1%	1,833	1,903	\$71,053	4%	0%	0%	0%	0%	0%	95%	5%	0%	80%	20%	1%	0%	86%	0%	14%	
City of Asbury Park	3402800700	6%	1,999	2,181	\$33,114	14%	0%	23%	2%	0%	0%	48%	30%	10%	17%	83%	18%	20%	41%	0%	34%	
City of Asbury Park	3402800800	9%	928	1,106	\$26,744	4%	2%	4%	0%	0%	0%	2%	4%	1%	0%	27%	73%	37%	81%	1%	16%	
City of Asbury Park	3402800900	1%	1,184	1,374	\$40,199	6%	0%	11%	0%	0%	0%	38%	13%	2%	43%	57%	2%	60%	19%	0%	15%	
City of Long Branch	3402800100	40%	1,718	2,278	\$43,974	14%	10%	10%	1%	0%	0%	67%	10%	1%	63%	37%	12%	10%	85%	4%	23%	
City of Long Branch	3402800200	25%	1,322	1,322	\$46,800	10%	3%	3%	0%	0%	0%	85%	10%	0%	54%	46%	13%	0%	80%	0%	14%	
City of Long Branch	3402800300	9%	645	769	\$32,837	11%	0%	17%	44%	0%	0%	2%	14%	3%	0%	19%	81%	34%	42%	10%	37%	
City of Long Branch	3402800400	1%	1,304	1,489	\$57,429	1%	1%	11%	1%	0%	1%	92%	5%	0%	62%	38%	6%	4%	92%	0%	2%	
City of Long Branch	3402800500	1%	1,087	1,114	\$43,499	0%	0%	0%	0%	0%	0%	55%	38%	0%	10%	47%	53%	24%	6%	36%	0%	47%
City of Long Branch	3402800600	1%	1,754	1,873	\$46,908	3%	1%	10%	10%	0%	0%	40%	2%	0%	85%	15%	28%	18%	5%	50%	0%	25%
Township of Aberdeen	3402800700	3%	1,161	1,161	\$97,406	0%	0%	0%	0%	0%	0%	1%	74%	0%	89%	15%	1%	0%	86%	0%	2%	
Township of Aberdeen	3402800800	1%	1,792	1,875	\$79,855	4%	0%	5%	2%	0%	0%	58%	7%	4%	55%	45%	17%	20%	56%	13%	11%	
Township of Aberdeen	3402800900	2%	1,068	1,100	\$85,250	1%	0%	0%	0%	0%	0%	100%	0%	0%	88%	12%	0%	0%	100%	0%	0%	
Township of Middletown	3402800100	42%	1,482	1,622	\$106,250	9%	0%	4%	1%	1%	0%	8%	10%	2%	88%	12%	1%	0%	96%	4%	0%	
Township of Middletown	3402800200	12%	1,165	1,204	\$71,811	1%	0%	0%	0%	0%	0%	95%	3%	0%	85%	15%	0%	0%	87%	0%	10%	
Township of Middletown	3402800300	8%	1,354	1,385	\$76,111	2%	0%	7%	0%	0%	0%	94%	3%	1%	82%	18%	1%	0%	85%	0%	15%	
Township of Middletown	3402800400	7%	1,195	1,297	\$89,200	5%	0%	7%	1%	0%	0%	87%	9%	2%	64%	36%	1%	0%	87%	0%	3%	
Township of Middletown	3402800500	2%	1,242	1,242	\$83,881	0%	0%	21%	3%	1%	0%	87%	3%	1%	71%	29%	0%	12%	78%	5%	6%	
Township of Middletown	3402800600	2%	2,194	2,213	\$89,850	0%	0%	10%	3%	1%	0%	92%	5%	0%	74%	26%	4%	3%	84%	2%	11%	
Township of Neptune	3402800700	3%	1,827	1,813	\$80,471	0%	0%	11%	1%	0%	0%	89%	3%	0%	97%	3%	1%	0%	100%	0%	0%	
Township of Neptune	3402800800	3%	1,954	2,061	\$46,800	1%	2%	18%	2%	0%	0%	9%	1%	1%	49%	51%	34%	3%	95%	0%	1%	
Township of Neptune	3402800900	1%	1,050	1,195	\$49,444	0%	0%	15%	14%	0%	0%	30%	1%	0%	52%	48%	12%	52%	33%	0%	6%	
Township of Neptune	3402800100	1%	1,126	1,324	\$27,431	15%	0%	10%	87%	0%	0%	0%	0%	0%	34%	66%	20%	87%	0%	0%	7%	
Township of Neptune	3402800200	1%	1,327	1,618	\$46,199	5%	0%	10%	0%	0%	0%	40%	0%	0%	97%	3%	0%	18%	82%	0%	18%	
Township of Neptune	3402800300	1%	1,087	1,302	\$87,700	4%	0%	18%	0%	0%	0%	95%	0%	0%	77%	23%	13%	0%	80%	0%	10%	
OCEAN COUNTY		10.3%	216,366	270,212	\$60,712	5%	15%	14%	3%	0%	0%	90%	5%	2%	82%	18%	25%	7%	76%	2%	14%	
CENSUS TRACTS WITH DAMAGED HOMES																						
Borough of Beachwood	3402872500	2%	738	858	\$56,288	0%	7%	0%	0%	0%	0%	98%	1%	4%	80%	20%	1%	0%	90%	0%	7%	
Borough of Bird Heights	3402872600	0%	630	775	\$75,250	5%	1%	0%	0%	0%	0%	98%	1%	0%	89%	11%	2%	0%	100%	0%	0%	
Borough of Brownsburg	3402872700	5%	583	719	\$39,890	0%	2%	0%	0%	0%	0%	98%	0%	0%	83%	17%	0%	0%	11%	0%	0%	
Borough of Brownsburg	3402872800	8%	714	844	\$110,211	0%	0%	0%	0%	0%	0%	100%	0%	0%	91%	9%	0%	0%	87%	0%	0%	
Borough of Brownsburg	3402872900	5%	714	844	\$66,636	0%	0%	0%	0%	0%	0%	92%	8%	2%	75%	25%	1%	15%	75%	0%	8%	
Borough of Pine Beach	3402873000	1%	788	897	\$82,948	0%	0%	10%	0%	0%	0%	98%	0%	0%	100%	0%	1%	0%	100%	0%	0%	
Borough of Point Pleasant	3402873100	3%	2,338	2,703	\$87,487	3%	1%	11%	0%	0%	0%	97%	2%	0%	85%	15%	1%	0%	78%	0%	21%	
Borough of Point Pleasant	3402873200	1%	1,885	2,123	\$71,583	9%	4%	3%	0%	0%	0%	97%	3%	0%	75%	25%	4%	0%	92%	0%	8%	
Borough of Point Pleasant	3402873300	1%	1,550	1,732	\$85,077	0%	0%	6%	0%	0%	0%	99%	1%	0%	14%	86%	16%	8%	91%	0%	0%	
Borough of Point Pleasant	3402873400	1%	1,527	1,685	\$70,417	0%	4%	7%	0%	1%	0%	97%	2%	1%	4%	16%	8%	0%	89%	5%	9%	
Borough of Point Pleasant Beach	3402873500	4%	1,150	1,324	\$61,474	10%	20%	15%	0%	0%	0%	8%	0%	0%	44%	56%	15%	0%	92%	0%	8%	
Borough of Point Pleasant Beach	3402873600	4%	1,150	1,324	\$61,474	10%	20%	15%	0%	0%	0%	8%	0%	0%	44%	56%	15%	0%	92%	0%	8%	
Borough of Point Pleasant Beach	3402873700	4%	1,150	1,324	\$61,474	10%	20%	15%	0%	0%	0%	8%	0%	0%	44%	56%	15%	0%	92%	0%	8%	
Borough of Point Pleasant Beach	3402873800	4%	1,150	1,324	\$61,474	10%	20%	15%	0%	0%	0%	8%	0%	0%	44%	56%	15%	0%	92%	0%	8%	
Borough of South Tom River	3402873900	11%	1,081	1,103	\$46,095	2%	0%	4%	0%	0%	0%	64%	15%	0%	74%	21%	0%	2%	0%	2%	23%	
Borough of Tuckerton	3402874000	30%	1,316	1,489	\$56,577	4%	2%	14%	0%	2%	1%	95%	2%	2%	69%	31%	10%	0%	88%	0%		

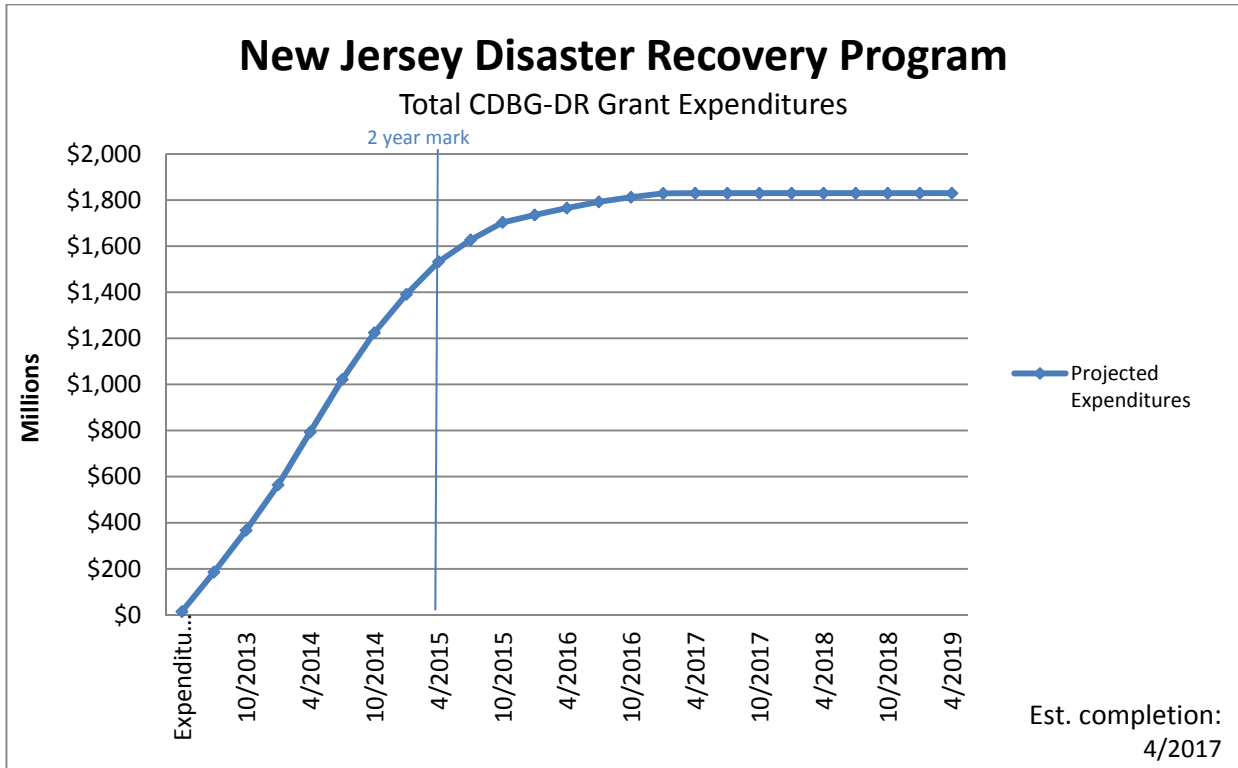
Municipality	Census Tract	% of Households with Major/Severely Damaged	Households	Housing units	Median HH Income	% Non-Sectoral Vacancies	% of Homes that are Seasonally Vacant	% Households Over 65 Living Alone	% Black Households	% Asian & Pac. Is. Households	% Native American Households	% White (Non-Hispanic) Households	% Hispanic Households	% of Households with Owner-occupied (more than 1.0 person per room)	% Owner-Occupied Households	% Renters Occupied Households	% Renters in Small Buildings (2-9 Units)	% Black Renters	% White (Non-Hispanic) Renters	% Asian & Pacific Is. Renters	% Hispanic Renters
CENSUS TRACTS WITH DAMAGED HOMES																					
City of Elizabeth	34030030500	4%	1,464	1,867	\$44,139	1.2%	0%	4%	1.2%	0%	1%	19%	71%	29%	31%	69%	62%	14%	1.6%	0%	71%
City of Elizabeth	34030030600	2%	1,719	1,816	\$49,622	1.0%	0%	3%	3%	0%	3%	28%	69%	25%	34%	66%	53%	3%	2.2%	5%	69%
City of Elizabeth	34030030700	1%	1,144	1,285	\$36,807	1.2%	0%	6%	2%	0%	1%	21%	47%	37%	27%	73%	65%	3%	1.9%	0%	4.2%
City of Elizabeth	34030030802	1%	850	1,002	\$45,939	1.5%	0%	4%	1.3%	0%	0%	30%	64%	4.6%	2.6%	74%	47%	18%	1.0%	7%	68%
City of Elizabeth	34030030200	1%	733	1,042	\$34,719	3.0%	0%	7%	2%	0%	0%	9%	61%	27%	1.4%	8.6%	7.6%	2%	0%	0%	69%
City of Linden	34030030400	1.3%	954	1,042	\$57,727	0%	0%	1.5%	1.1%	0%	3%	66%	1.6%	2%	6.3%	27%	30%	1.6%	0.7%	8%	7%
City of Linden	34030030300	5%	775	819	\$5.6.384	4%	2%	1%	1.0%	0%	3%	44%	44%	4%	5.6%	44%	28%	14%	2%	0%	67%
City of Linden	34030030300	1%	1,847	2,022	\$50,400	0%	0%	8%	2%	0%	2%	61%	17%	1.2%	4.4%	5.6%	45%	2.2%	0.4%	4%	15%
City of Rahway	34030030600	7%	1,980	2,144	\$6.6.726	0%	0%	1.4%	0.7%	0%	1%	18%	1.8%	0%	4.4%	5.6%	8%	5.4%	2.3%	4%	1.6%
City of Rahway	34030030800	3%	1,269	1,293	\$46.5.83	2%	0%	1.2%	0.0%	0%	1%	29%	9%	5%	4.8%	5.2%	17%	7.8%	1.4%	2%	5%
City of Rahway	34030030900	1%	1,225	1,408	\$55,344	1.3%	0%	1.2%	2.4%	0%	3%	4.3%	21%	2%	4.7%	5.3%	20%	2.2%	3%	0%	20%

Note: Only includes Census Tracts with Major/Severely Damaged Units; Hispanic is reported separately from race in the US. Census and Hispanic Households may be of any racial background.
Source: US Census American Community Survey, 2008-2011 Averages and FEMA Individual Assistance Records as of March 12, 2015

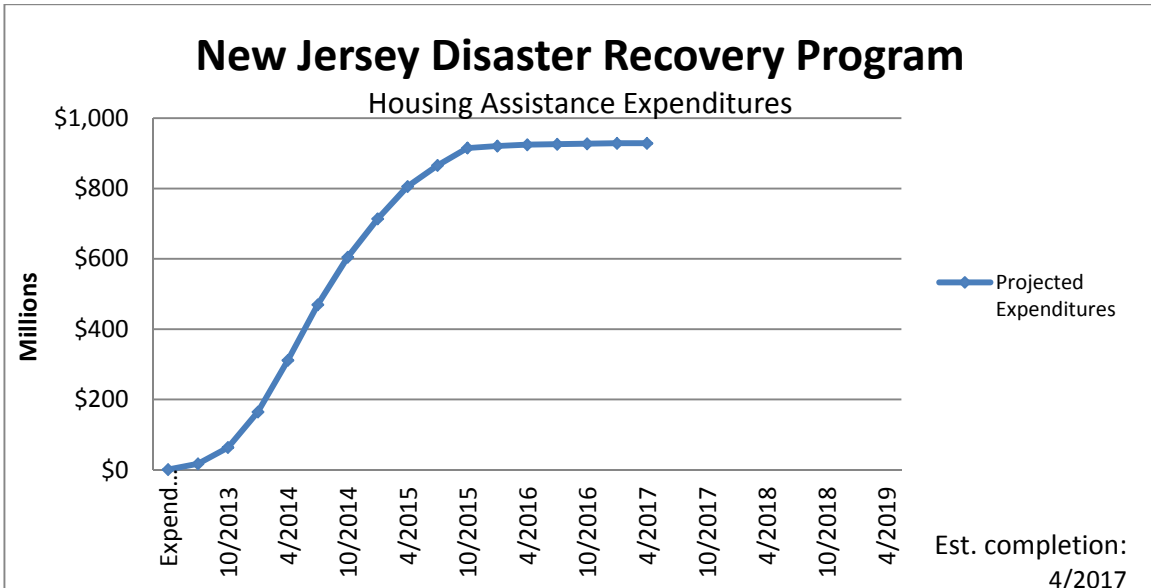
APPENDIX C: EXPENDITURE AND PROFORMANCE PROJECTIONS

I. EXPENDITURE PROJECTIONS

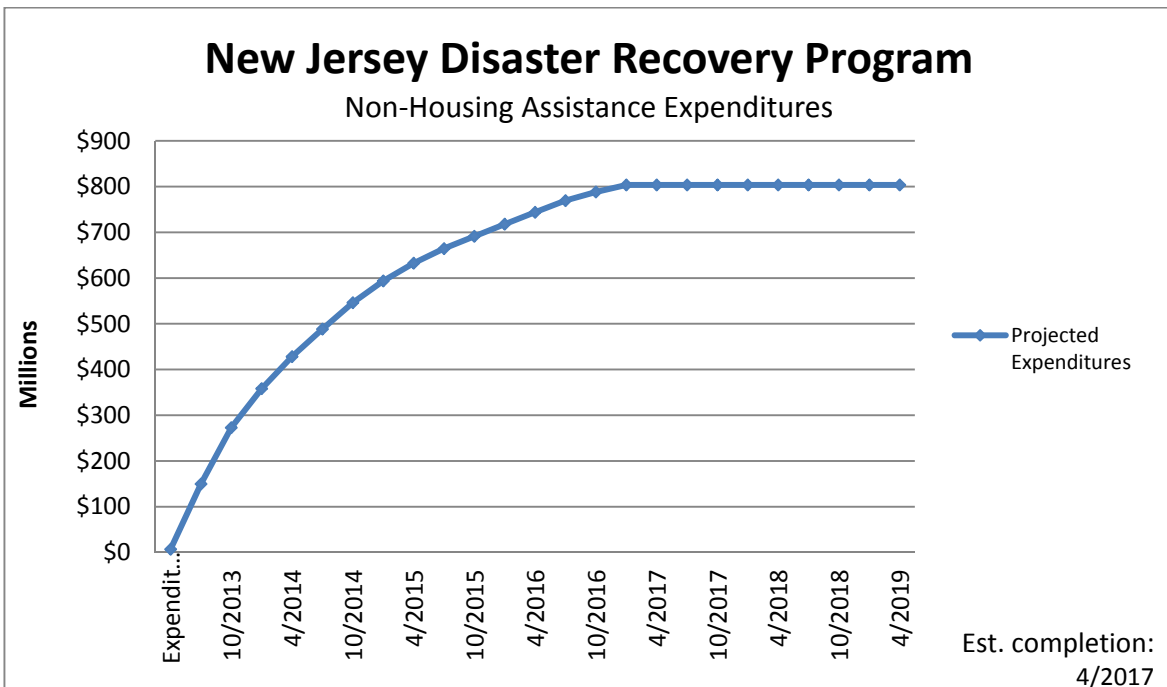
A. The chart demonstrates the timeline for the projected expenditures of the total CDBG-DR Grant Funds of \$1,829,520,000.



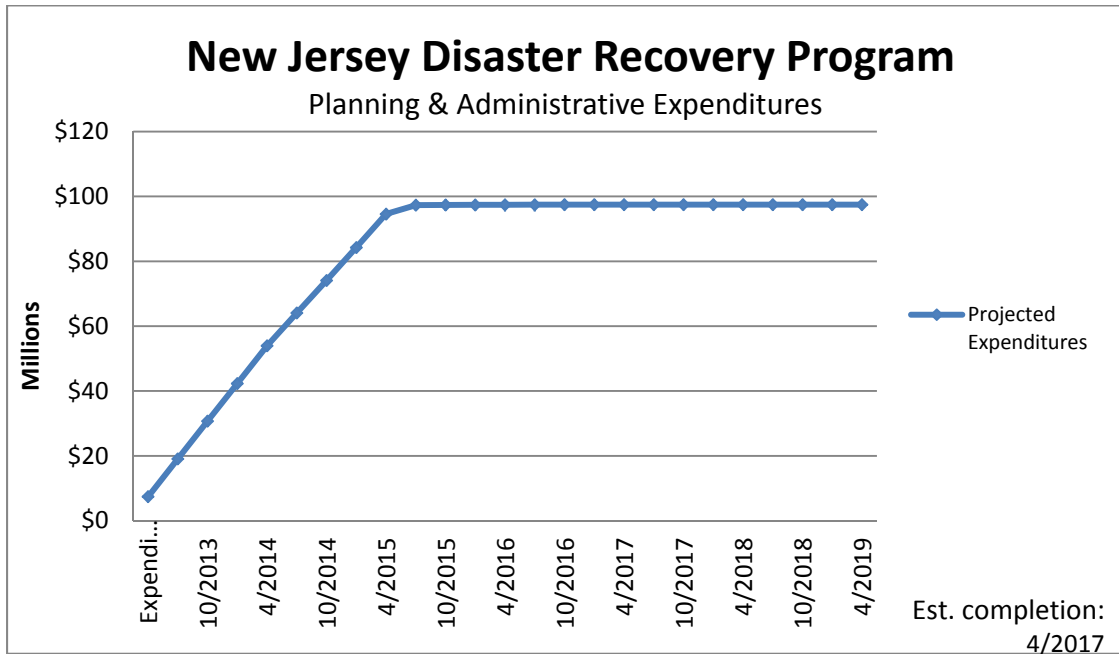
B. The chart demonstrates the projection for the funds that are in programs targeted to provide recovery assistance in the housing sector. Programs for housing assistance are comprised of the homeowner and rental assistance programs, including Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM), Landlord Rental Repair Program, Multi-family Affordable Rental Housing, Special Needs Affordable Rental Housing, Neighborhood Enhancement and Homebuyer Assistance.



C. The chart demonstrates the projected expenditures in the recovery programs considered to be non-housing, including those under Economic Revitalization, Support for Government Entities, Supportive Services, Incentives for Landlords, and Housing Resettlement grants.



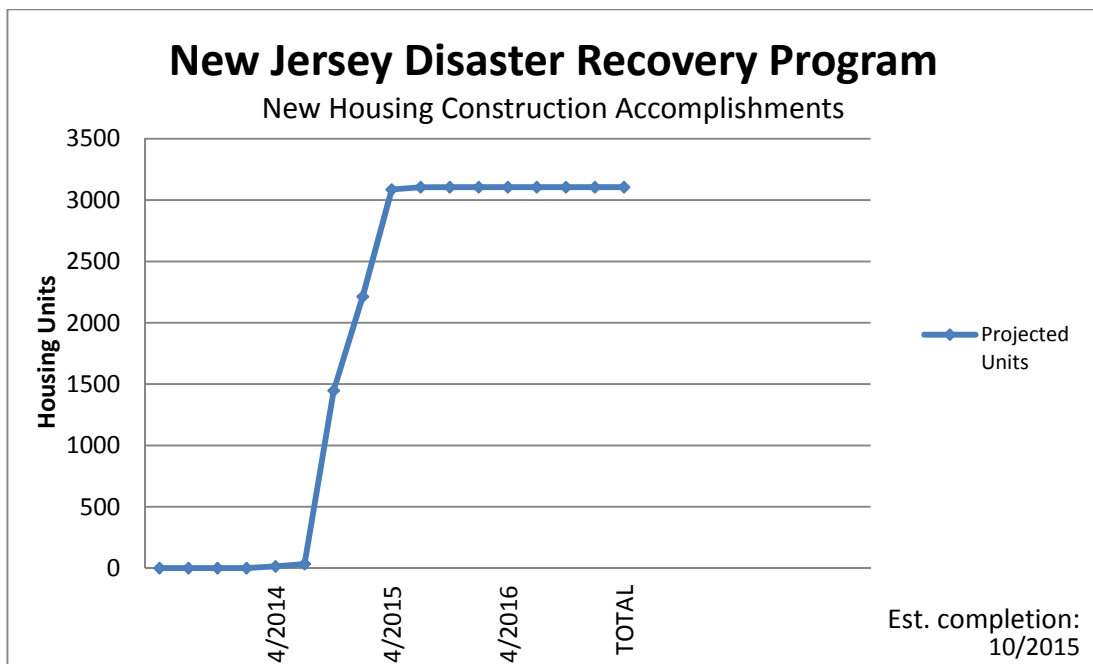
D. The chart demonstrates the projected expenditures for the recovery programs designated as planning activities, as well as those expenditures related to administration, oversight and monitoring.



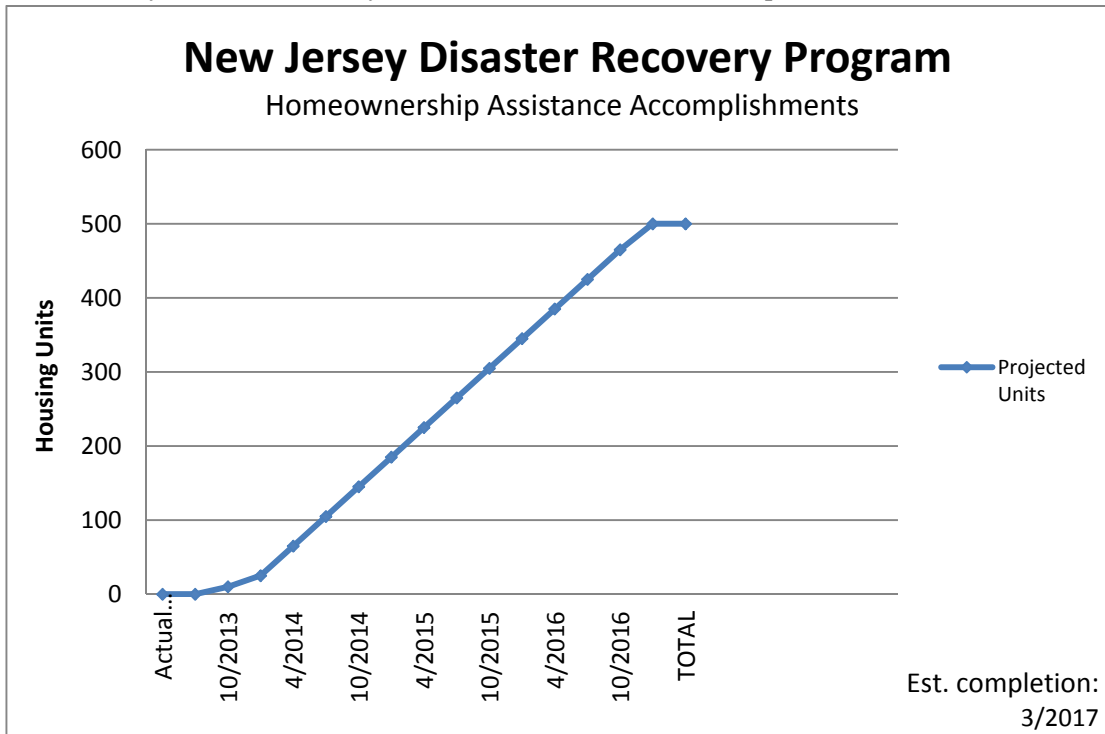
II. PERFORMANCE PROJECTIONS

In line with the categories prescribed by the HUD template, performance projections have been grouped among several programs to represent the determine outcomes.

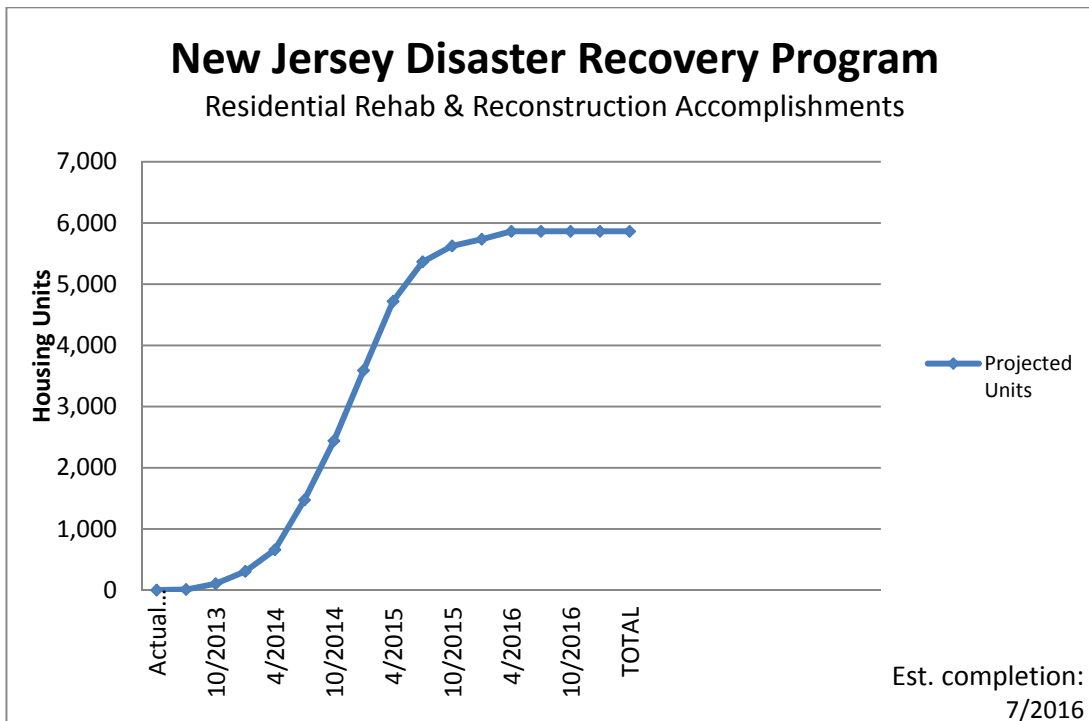
A. The chart demonstrates performance projections for programs that will result in the construction of new housing units.



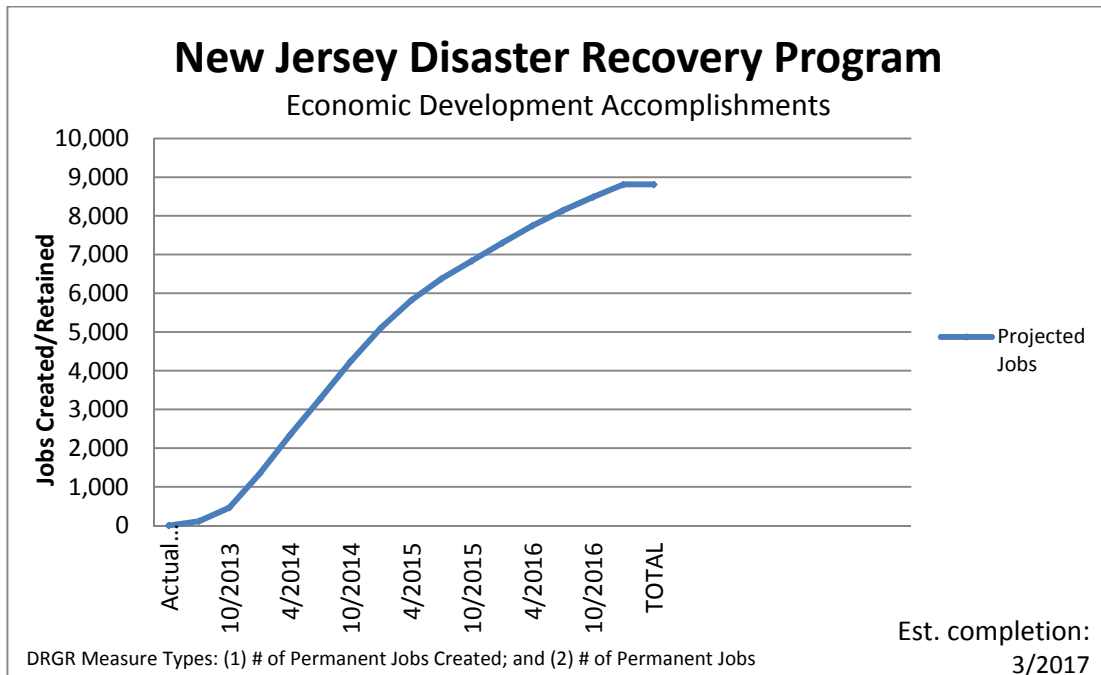
B. The chart demonstrates the projected outcomes for the program designated to assist renters and homebuyers with the ability to move towards homeownership.



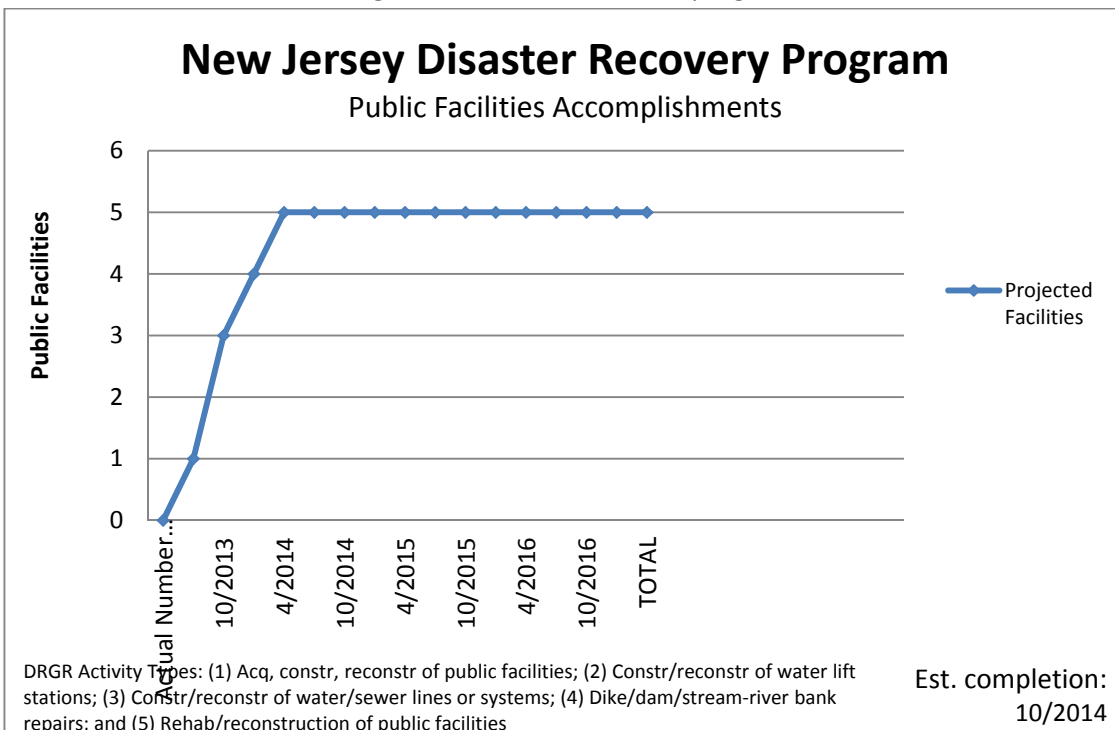
C. The chart demonstrates the projected number of units that will benefit from the recovery programs for rehabilitation and reconstruction of rental and homeowner properties.



D. The chart demonstrates the projected outcome of the economic development and revitalization programs.



E. The chart represents projected outcomes for recovery programs designed to assist with public facilities renovations through use of the FEMA match program.



F. The list represents performance measures and outcomes projected for recovery programs not represented in the previous sections.

PUBLIC SERVICES & OTHER	TOTAL
Projected governmental units assisted to address essential services needs	33
Projected Households Assisted - Resettlement	16,000
Projected Units Assisted – Landlord Incentive	1,924
Projected Individuals assisted through FEMA match program	21,500
Projected Local Plans Developed (Planning Grants to Local Governments)	114
Projected Pre-Development Plans	20
Projected Number of governmental units assisted - FEMA Match	10
Projected Number building inspections conducted	10,920
Projected Number of governmental bodies assisted – Health Department	200

