State of New Jersey
OFFICE OF THE GOVERNOR

Christie Administration Announces Federal Approval of Plan to Distribute Second Round Sandy Recovery Funds

Plan Will Allocate an Additional $1.46 Billion to Address Housing Needs, Infrastructure Resiliency Projects and Other Critical Recovery Initiatives

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Trenton, NJ – Governor Chris Christie and U.S. Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, today announced HUD's approval of New Jersey's plan to spend $1.46 billion of federal disaster recovery funds to assist families, businesses and communities that were impacted by Superstorm Sandy.

The approval of New Jersey's plan, which came through formal notification this past Friday, will allow the State to rebuild Sandy-damaged homes and rental housing, support hardest hit and financially strained communities, buyout homes in communities vulnerable to repetitive flooding, and finance infrastructure resiliency projects throughout New Jersey to protect the state from future storms.

With monies now available from the second round of Community Development Block Grant (CDBG) Disaster Recovery funds, the State will continue to move eligible Reconstruction, Rehabilitation, Elevation & Mitigation (RREM) applicants off the waitlist and streamline the rebuilding process. Combined with anticipated third round funds, the State expects to reach all eligible homeowners currently on the RREM waitlist.

"The State of New Jersey has enjoyed a strong working relationship with HUD throughout our recovery from Superstorm Sandy, and we continue to work collaboratively to get families back into their homes as quickly as possible and find opportunities to help communities build back even stronger," Governor Christie

said. "Together, the State and HUD are incorporating lessons learned from Sandy to create a more resilient New Jersey that can better withstand extreme weather events and other natural disasters. With this approval and expected third round funding of $881 million in the future, we will continue to prioritize our housing needs for Sandy-affected families, including clearing the RREM wait list and providing significant additional resources for renters."

To address the state's substantial housing needs, the Christie Administration will spend $775 million of the $1.46 billion from the second round of CDBG Disaster Recovery funds to support Sandy-impacted homeowners and renters. Of that, $490 million is projected to assist low-to-moderate-income families. The plan calls for:

- $390 million for the RREM Program. The funding will be added to the $710 million provided in the first round. To date, more than 5,400 Sandy-impacted homeowners have been preliminarily awarded a RREM grant. With the additional funding, approximately 3,000 eligible homeowners are moving off of the program's waitlist to begin the grant process.

- $200 million for the Fund for Restoration of Multi-Family Housing to help develop affordable multi-family rental housing. The funding will be added to the $179 million allocated to the program in the first round. To date, funding has been committed to 36 affordable housing projects to create nearly 2,500 housing units for low- to moderate-income residents.

- $100 million for the New Jersey Blue Acres Buyout Program to purchase flood-prone homes that will move people out of harm's way and create natural systems to absorb flood waters from future storms. To date, approximately 700 properties statewide have been identified for potential acquisition.

- $40 million for the LMI Homeowners Rebuilding Program to focus exclusively on low- to moderate-income families who did not previously apply to the RREM Program. In response to the public comments submitted to the proposal and in consultation with HUD, the State will help vulnerable LMI households apply for federal aid. The State plans to work with community-based non-profit organizations to disseminate information about the program.

- $25 million for the Sandy Special Needs Housing Fund to help develop permanent supportive affordable housing for special needs populations. The funding will be added to the $25 million provided to the program in the first allocation. To date, funding has been committed to 17 projects to create affordable housing opportunities for 270 residents with special needs.

- $20 million for the Neighborhood Enhancement Program to help stabilize neighborhoods in the nine most-impacted counties that were previously struggling under the burden of abandoned, foreclosed and vacant properties. To date, nearly $26 million in Neighborhood Enhancement Program funding has been committed to 33 projects to create 170 housing units for low- to moderate-income residents.

Recognizing that Sandy's storm surge and flooding highlighted vulnerabilities in the state's transportation, energy, flood prevention and water infrastructure systems, the State will invest $500 million of the second round of CDBG Disaster Recovery funds in infrastructure, including:

- $200 million for the New Jersey Energy Resilience Bank to fund projects that would ensure a highly reliable power supply to critical public facilities—such as water and wastewater treatment

plants, hospitals, shelters, emergency response centers and transit networks—in the event the larger electrical grid fails.

- $100 million for the Flood Hazard Risk Reduction and Resiliency Measures Program to fund projects that would help protect areas at high risk of storm surge or flooding through such measures as flood walls, pump stations, wetlands restoration, permeable pavement, rain gardens and bio-retention basins.

- $200 million to help government entities meet federal funding match obligations for a variety of recovery and resiliency projects such as repairing or constructing roads, bridges, levees, public buildings, water and wastewater treatment plants, power generation and distribution facilities, sand dunes, beaches, telecommunication systems, and recreational facilities.

Finally, the State will continue to encourage economic development and to support hard hit, financially strained municipalities:

- $85 million for the Essential Services Grant Program to assist Sandy-impacted local government entities in maintaining essential services such as police and fire protection while their communities are rebuilt. The funding will be added to the $60 million provided in the initial allocation. To date, more than $44.5 million in funding has been awarded to 11 Sandy-impacted local governmental entities.

- $10 million for the Unsafe Structures Demolition Program to demolish unsafe Sandy-impacted structures, remove debris, and perform any additional activities related to demolitions. The funding will be added to $15 million provided in the first round.

- $10 million for planning initiatives, including funding for the Post-Sandy Planning Assistance Grant Program to help Sandy-impacted local governments plan their rebuilding efforts to promote resilience and encourage economic growth. To date, the state has received requests for Post-Sandy Planning Assistance Grants from local governments for $4.7 million.

- $5 million to continue a marketing campaign to encourage tourism in Sandy-impacted areas.

- $5 million for the Code Enforcement and Zoning Program to help code enforcement and zoning offices in Sandy-impacted municipalities respond to the influx of rebuilding applications. The funding will be added to the $6 million provided in the initial allocation.

CDBG Disaster Recovery funds are intended to support local rebuilding efforts after private insurance, FEMA, the U.S. Small Business Administration (SBA), or other available sources of funds have been applied. HUD also requires that 50% of the funding benefit low-to-moderate-income households. In New Jersey, HUD further mandates that 80% of the CDBG Disaster Recovery dollars be spent in the nine most-impacted counties, which include Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, and Union counties.