



## Taking Action To Distribute The Necessary Resources For The Rebuilding Process *What New Jersey Residents Need To Know About The Christie Administration's Proposed First Community Development Block Grant Disaster Recovery Action Plan*

*"This plan puts into motion the specific actions we've been designing to get relief out as quickly as possible to our Sandy-impacted homeowners and businesses – to reconstruct, rehabilitate and elevate homes, and to get over hurdles for our small businesses to get up and running again. These programs have been carefully, but quickly designed to fill the unmet needs faced by our residents to rebuild in a safer, more enduring way, to strengthen our impacted local economies going into this summer, and to help preserve the unique character of our shore communities as we've known them. With this first round of funding, we will also begin an aggressive marketing effort to let people both in the region and across the country know that New Jersey is rebounding and that the Jersey Shore will be open for business this summer."*

– Governor Chris Christie

The Christie Administration today unveiled its proposed Community Development Block Grant Disaster Recovery Action Plan, which outlines how the State plans to utilize \$1,829,520,000 in federal funding. This is the first phase of Community Development Block Grant funds provided to New Jersey by the U.S. Department of Housing and Urban Development. Additional CDBG recovery funds are expected in the coming months. With this first phase of funding, the Christie Administration is focusing primarily on helping homeowners, renters, businesses and communities impacted by Superstorm Sandy.

- The proposed Action Plan incorporates input from Sandy-impacted communities and stakeholder groups whose engagement will continue throughout the State's recovery, rebuilding and restoration process.
- CDBG Disaster Recovery funds are intended to address unmet needs not satisfied by private insurance, the Federal Emergency Management Agency, the U.S. Small Business Administration, or other sources.
- The Christie Administration will dedicate over 50% of funding for low-to-moderate-income households, in accordance with HUD guidelines.
  - Additionally, per HUD guidelines, 80 percent of the funds will be dedicated to the nine most heavily impacted counties in the state: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union.
- If approved by HUD, the Christie Administration expects that more than 20,000 homeowners, more than 5,000 renters and more than 10,000 businesses will be helped, as well as dozens of local governmental units.

Today's announcement represents an important step in distributing the federal resources necessary to aid New Jersey's rebuilding by developing the state's specific plan for how those resources will be spent. Following a seven day period for public comment, the Christie Administration will submit the Action Plan to HUD for approval. Following HUD approval, the Christie administration will have in place a specific, detailed outline to guide spending.

To view the Action Plan, visit the NJ Department of Community Affairs' website at [www.nj.gov/dca](http://www.nj.gov/dca).

### **Helping Families Return To Their Homes:**

Assisting homeowners in the reconstruction, rehabilitation, and elevation of their homes and helping them prepare for future storms is a top priority of the Christie Administration's rebuilding efforts. Superstorm Sandy caused an estimated \$3.837 billion in damage to houses and apartments throughout the state, with over 86,700 units impacted. The Administration's Plan proposes a variety of programs to meet the needs of displaced homeowners and renters whose primary residences were damaged by the storm, which include:

- Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program: This \$600 million program will provide eligible homeowners up to \$150,000 to aid reconstruction, rehabilitation, elevation and mitigation of damaged homes. Seventy percent of the funds will be reserved for low-to-moderate-income households.
- Housing Resettlement Program: This program is aimed at Sandy-impacted homeowners who sustained storm damage and who are considering selling or abandoning their property. Funded at \$200 million, this program will provide \$10,000 grants to eligible homeowners to remain part of the fabric of their communities as they continue the recovery process. Sixty percent of the funds will be reserved for low-to-moderate-income households.
- Blight Reduction Pilot Program: This \$30 million program will provide zero-interest forgivable loans to nonprofit and for-profit developers to purchase and rehabilitate foreclosed, vacant or abandoned properties throughout the state. The program will encourage development of affordable homes and rental housing.
- Sandy Home Buyer Assistance Program: Funded at \$25 million, this program will provide financial assistance of up to \$50,000 to low-and-moderate-income households to purchase a home. Housing created under this program would be affordable to households earning up to 80% area median income.

### **Supporting Economic Recovery and Revitalization:**

Economic recovery and revitalization is also a top priority of the Action Plan to restore communities and promote job growth. Businesses in the 113 municipalities most impacted by Superstorm Sandy incurred \$382 million in commercial property loss and another \$63.9 million in business interruption losses. To help New Jersey businesses, the Christie Administration is setting aside \$500 million in funding for the New Jersey Economic Development Authority to administer the following activities:

- Small Business Grants of up to \$50,000 to eligible businesses that sustained physical damage. A \$300 million allocation will fund grants that can be used for purposes including rehabilitation, new construction, equipment, inventory, mitigation, refinancing and working capital among other uses.
- No-Interest Loans for Storm-Impacted Small Businesses ranging from \$100,000 to \$5 million for documented physical damage not covered by other sources. These loans are intended to assist eligible businesses that suffered physical damage, as well as spur economic revitalization by providing funding for expansion and new businesses in storm-impacted areas.
- Neighborhood And Community Revitalization Programs to provide funding of up to \$10 million to help communities rebuild commercial areas with public facility improvements such as streetscapes, lighting, and sidewalks and undertake other activities critical to restoring and strengthening local economies, including micro-loans for storm-related damage and loan guarantees as well as façade and code-related improvements.
- A Tourism Marketing Campaign to promote storm-impacted businesses and shore communities by letting the nation know that New Jersey is recovering and that communities are open for business. The campaign funded at \$25 million would also encourage New Jerseyans and tourists to shop local, thereby supporting companies that are operational.

In November 2012, the first full month after the storm, approximately 138,000 New Jerseyans filed unemployment claims. The economic development funding in the Action Plan will help to create thousands of jobs and help struggling New Jerseyans get back to work.

### **Assisting Local Governments And Property Taxpayers:**

While the housing and economic sectors are the central focus of this first allocation of CDBG Disaster Recovery funding, the Christie Administration also proposes to use funds to help local governments provide essential services after incurring unanticipated expenses caused by the storm that are not reimbursed by FEMA. The Action Plan proposes to allocate \$116 million in funds as follows:

- Public Assistance Program: An allocation of \$50 million would be used to provide critical funding support to municipalities by helping to subsidize the "local match" for FEMA Public Assistance projects. This will ensure local

governments have sufficient resources to continue providing essential services without resorting to tax increases or other measures that may cause further hardship and distress in Sandy-impacted communities.

- Protecting Essential Services For Long-Term Recovery: \$60 million would be used to close gaps in funding in FEMA's Community Disaster Loan Program so that local governments can continue to pay essential personnel in critically important service areas including police and fire services, education, and public works.
- Code Enforcement Grant Program: \$6 million in funding would supplement local code enforcement offices with additional personnel, provide an online plan review and permitting process, and enhance the NJ Department of Community Affairs' continuing education curriculum for code officials to include training in flood hazard mitigation practices and other storm-related code issues.

### **Providing For New Jersey's Most Vulnerable Citizens And Protecting Shore Communities:**

Governor Christie is committed to helping low-to-moderate income families as well as vulnerable populations recover from Sandy. The Christie Administration is proposing a range of rental housing activities designed to replenish rental housing stock lost to Sandy, rehabilitate affordable rental units left uninhabitable by Sandy, and provide affordable housing for special needs populations.

- Restoration of Multi-Family Housing: \$104.5 million will be utilized to provide zero and low-interest loans of up to \$120,000 per unit to qualified developers and public housing authorities to facilitate the creation of new permanent housing units. A significant portion of the fund will be used to assist in the development of new permanent, supportive housing for people with special needs.
- Fund for Rehabilitation of Small Rental Properties: Through an allocation of \$70 million, the Christie Administration will provide zero-interest, forgivable loans of up to \$50,000 per unit to eligible owners of rental buildings with 25 or fewer units that received significant damage from Superstorm Sandy and are partially or completely uninhabitable.
- Predevelopment Fund for Affordable Rental Housing: Provide financing of up to \$500,000 to help nonprofit housing developers cover the predevelopment costs of properties that are unsafe, underutilized, or in foreclosure. Projects must help to revitalize communities by facilitating the acquisition, clearance, and preparation of difficult to develop sites. Allocation for the program would be \$10 million.
- Affordable Housing Incentives: Through \$40 million in funding, this program will provide incentive payments to eligible rental property owners who agree to lease their units to low and moderate income households at affordable rents.

The New Jersey Housing and Mortgage Finance Agency will administer rental housing and homebuyer assistance programs, which would be funded by at least \$154 million. It is estimated the Action Plan's rental development and rehabilitation programs will create 3,000 jobs and \$500 million in economic activity.