New Jersey
Department of Community Affairs

SUPERSTORM SANDY COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

Public Law 113-2; January 29, 2013
FR-5696-N-01; March 5, 2013
FR-5696-N-06; November 18, 2013
FR-5696-N-11; October 16, 2014

ACTION PLAN AMENDMENT NUMBER 64
SUBSTANTIAL AMENDMENT

- **Modification to the RREM Program**

PUBLIC COMMENT PERIOD:	May 15, 2026 to June 15, 2026
DATE SUBMITTED TO HUD:	June 24, 2026
DATE APPROVED BY HUD:	July 7, 2026

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DIVISION OF
Disaster Recovery
& Mitigation
Building stronger communities

DCA
NJ DEPARTMENT OF
Community Affairs

SECTION 1: OVERVIEW

New Jersey ("State") received approval from the U.S. Department of Housing and Urban Development ("HUD") for the State's Community Development Block Grant – Disaster Recovery ("CDBG-DR") Superstorm Sandy Action Plan on April 29, 2013. The Action Plan described the State's allocation of $1,829,520,000 in first-round CDBG-DR funding, granted by HUD, in support of New Jersey's recovery efforts. The New Jersey Department of Community Affairs ("DCA") was chosen to administer this CDBG-DR grant. Since that time, HUD has approved sixty-three amendments. Included in these amendments is Substantial Amendment 7, which details the allocation of $1,463,000,000 in second-round CDBG-DR funds across Sandy recovery programs.

On October 16, 2014, HUD allocated $881,909,000 in third (and final) round CDBG-DR funds to New Jersey, $380 million of which was allocated in connection with HUD's Rebuild by Design ("RBD") initiative, and is detailed in Action Plan Amendments #12, 20, 22 and 25. Substantial Amendment 11 designates the remaining, third-round, Sandy CDBG-DR allocation of $501,909,000 for unmet recovery needs.

This Action Plan Amendment 64 ("APA 64") is considered a substantial amendment according to the definition stipulated in Federal Register Notice 5696-N-01 (March 5, 2013), and in accordance with the State's citizen participation plan, as it changes a program benefit or eligibility criteria.

APA 64 is available in English and Spanish through DCA's website, https://www.nj.gov/dca/ddrm/, and can be requested by email at DisasterRecoveryandMitigation@dca.nj.gov (Subject: Action Plan Amendment 64), or by contacting the Division of Disaster Recovery and Mitigation Constituent Services at 609-292-3750. To obtain a translated copy in a language other than Spanish, please contact Tina Williams, the language access plan (LAP) coordinator, at Tina.Williams@dca.nj.gov. For hearing-impaired users, text telephone service is available at (TTY/TDD) 1-800-852-7899.

The public comment period for APA 64 was open from 9 a.m. on May 15, 2026, to 5 p.m. on June 15, 2026. No comments were received.

SECTION 2: Modification

Relaunching the RREM Program

In January 2026, Governor Murphy signed law P.L.2025, c. 319, which reopens the RREM Program to homeowners with unmet needs stemming from Superstorm Sandy. DCA has added a new pathway to the RREM Program to accommodate the new applications. The policy for the new pathway will be available online. There is available budget within the existing program to support these efforts.

Please review the following pages to see the modifications to the existing program.

SECTION 3: PUBLIC COMMENTS AND RESPONSES

As required by HUD, this proposed substantial amendment, APA 64 was made available for public comment over a period of at least thirty days. Commenters were able to submit comments to this proposed amendment (i) via email to DisasterRecoveryandMitigation@dca.nj.gov (Subject: APA 64); or (ii) via U.S. mail. The State received no comments.

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. In accordance with HUD requirements at 78 Fed. Reg. 14329 (March 5, 2013), the State continues to refine and update this analysis with current data. 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 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~~are over age 65 and living alone. Atlantic County also contains a significant number of second homes, including many in heavily damaged communities.

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.

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.

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~~residents report a disability and 4% of the households is over the age of 65 and living alone.

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.

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.

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.

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.

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.

Information provided in the preceding analyses has been used to ensure that funds are targeted where damage occurred. Demographic information referenced above has been used for, among other things, assessing language barriers and case management needs to be accounted for in standing up housing recovery centers to maximize the benefit to impacted New Jerseyans.

2.3 Assessment of 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, this unmet needs analysis focuses on the housing, economic and infrastructure sectors. As required by HUD, the State continues to update its unmet needs analysis as funding is allocated and demand for the programs becomes clear.

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. 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 address these unmet needs as well.

Table 2-1: Estimate of Unmet Needs			
	Need	Other Funds Allocated	Unmet Need
Housing	$4,458,185,055	$1,953,191,063	$2,504,993,992
Economic Development	$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**
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. *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			

The following assessment describes the State's approach to addressing the unmet need, including any leveraged funds, identified in each sector.

2.3.1 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. **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.

Table 2-2: Housing Damage by Severity for FEMA Individual Assistance Applicants				
	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				

To estimate the unmet housing need in New Jersey, the State first used 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 added 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 estimate of its unmet housing need.

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. 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 2-3**.

Table 2-3: 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			

All homeowners and renters with more than four feet of flooding were assumed to be severely impacted. 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 $4,458,185,055. 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 2-4: 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 (Residential and Flood)[3]	FEMA Grant and SBA Loan[4]	Unmet Need
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

Source:

[1] Analysis using FEMA Individual Assistance data FVL values, flood depth, HUD damage categories and associated damage estimates.

[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.

[3] Private insurance data provided by NJ Department of Banking and Insurance.

[4] FEMA Individual Assistance data, effective March 12, 2013 and SBA data effective February 6, 2013.

However, this figure 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. Further, this does not take into account the substantial need of case management, housing counseling and other supportive housing services.

Thus, the State has committed approximately $2,600,000,000 (or 63 percent) of its entire allocation of CDBG-DR funds to housing initiatives (including $145 million of first tranche CDBG-DR funds that were initially allocated for economic programs but later were moved to housing programs with HUD approval). In addition, the State has committed approximately $41,107,737 to supportive services to assist with needs associated with housing, but not captured in the total unmet need estimation.

2.3.1.1 Addressing the Needs of Homeowners

Homeowners throughout New Jersey were significantly affected by Superstorm Sandy. 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 Sandy-impacted homeowners in need of housing counseling services;
- 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.

The State has taken the following steps to encourage adequate, flood resistant housing for all income levels.

Reconstruction, Rehabilitation, and Elevation

Homeowners throughout New Jersey were significantly affected by Superstorm Sandy. Based on FEMA Individual Assistance data effective March 12, 2013, 59,971 owners' primary residences sustained some amount of physical damage. Of this number, 40,466 homes sustained severe or major damage.

The State created the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) and Low to Moderate Income (LMI) Homeowners Rebuilding Programs to provide grant awards to eligible homeowners for activities necessary to repair storm-damaged homes. The State has allocated $1.4 billion through the RREM and LMI Programs to help homeowners reconstruct, rehabilitate and elevate their homes, and to incorporate mitigation measures. As of Winter 2022, RREM has completed nearly 6,850 projects and disbursed almost $950 million to eligible homeowners. In addition, the State has allocated over $50 million to the LMI Program, resulting in over 250 projects completed.

Throughout administration, the State has continued to re-evaluate the unmet need for assistance in rehabilitation, reconstruction and elevation. Per federal regulations and the approved program requirements, if a homeowner's reconstruction needs exceeded the maximum available through the grant, funding to cover the difference must be identified by the applicant before CDBG-DR funds will be invested in the rebuilding project. In addition to conducting an analysis on duplicative funds received, the State leveraged donated funds to assist homeowners in meeting their construction needs. Philanthropic dollars committed through a "gap funding" program administered by the Community Development Financial Institution New Jersey Community Capital, with initial support of $15 million from the American Red Cross and the Superstorm Sandy New Jersey Relief Fund, was one source that was leveraged by LMI homeowners to address funding gaps. Other funding sources, including private loans, may be available for housing construction needs above the maximum grant for those who could qualify.

Despite the State's progress, some homeowners were finding it difficult to make meaningful progress in their construction. Applicants faced delays for a variety of reasons including fraudulent contractors and a lack of qualified builders, but most of all, applicants lacked the necessary funding to complete construction. In response to the outstanding need, the State introduced a "Supplemental Fund" to offer applicants additional construction funds to complement the grant award received through the programs. In Amendment #28, the State reallocated $50 million in funding from programs with a lesser need to address the more immediate unmet need of homeowners in reconstruction.

On January 20, 2026, the New Jersey Legislature passed P.L.2025, c.319, directing DCA to "resume the Reconstruction, Rehabilitation, Elevation and Mitigation program and accept grant applications to provide funding which was intended to fund the unmet needs of Superstorm Sandy-impacted homeowners…who are still in need of recovery and rebuilding financial assistance." Accordingly, the State has examined the current needs of applicants to the RREM Program.

As of 2025, approximately 1.3 million New Jersey residents continue to reside in areas at high risk of flooding, of which 50% are lower-income residents who may not be financially able to relocate to less flood-prone areas. Further, recent estimates project that nearly 1 in 6 parcels of land statewide will be at risk of flooding by 2050. Such widespread damage would impact approximately $435.9 billion in property values and $5.9 billion in annual property tax revenues.[1]

In order to mitigate the future impact of flooding and of broader climate change, the New Jersey Department of Environmental Protection ("NJDEP") adopted the Resilient Environments and Landscapes ("REAL") rule amendments, significantly updating coastal, flood hazard, and stormwater regulations. In June of 2026, key changes to building standards will take effect, including a new Climate Adjusted Flood Elevation ("CAFE") of +4 feet above FEMA base flood elevation levels for coastal flood hazard areas. This increased elevation standard will cause many Sandy-impacted New Jerseyans to incur additional costs to safeguard their homes. Funding for the RREM program will speak to unmet needs arising from such costs.

In addition to needs arising from elevation projects, Program applicants continue to shoulder a

[1] Chester, A. (2025). FLOOD RISK = FINANCIAL RISK: NEW JERSEY [Report]. Rebuild by Design. https://rebuildbydesign.org/wp-content/uploads/NJ-Flood-Risk-Press-Release-May-2025.pdf

significant financial burden stemming from ongoing reconstruction, rehabilitation and mitigation work. Often, homeowners must bear both mortgage and rental payments while displaced from their homes due to rehabilitation or reconstruction activities. To defray these costs, the RREM Program will offer temporary rental assistance- to displaced applicants for up to three months.

Some homeowners faced construction needs that were not as extensive, but no less urgent. The State has used CDBG-DR funds and leveraged other sources of funding to address the construction needs of those not in the RREM or LMI Programs.

For some homeowners, Superstorm Sandy exacerbated issues with lead hazards. Paint will typically begin to flake once surfaces that were submerged in water begin to dry. As a result, flooded homes built prior to 1978 are more likely to experience increased lead and other health hazards. The State leveraged federal Social Services Block Grant (SSBG) funds received by the Department of Health for a Lead Risk Assessment Program for Young Children. This program provided funding for community outreach and testing of young children, pregnant women, and adults performing physical recovery work for blood lead levels and case management services. However, the SSBG funding does not cover lead assessment and remediation. To address this need, DCA implemented a Lead Hazard Reduction Program with a primary focus on providing funding for lead assessment, lead hazard reduction, and clearance. To avoid a duplication of benefits, the program was open only to those not participating in the RREM and LMI Programs and expended $1.2 million towards providing lead assessment, lead remediation, mold and moisture testing and repair of conditions contributing to the hazardous environmental factors. In addition to the households served under this program, the State provided funding for lead remediation to thousands of homeowners through the RREM and LMI Programs, as well as to renters through the Landlord Rental Repair Program.

Other homeowners simply needed assistance in elevating their homes. Therefore, the State leveraged FEMA Hazard Mitigation Grant funding to provide $30,000 grants to homeowners not participating in the RREM or LMI Programs to elevate their homes.

The State will continue to prioritize the use of CDBG-DR funds to address the housing needs of LMI populations.

Housing Counseling

The needs of homeowners are not limited to construction-related activities. Recognizing the need for financial education and access to available community resources, DCA incorporated HUD-certified housing counselors into the housing recovery effort to provide housing assistance and related services to individuals through the Supportive Services program. This Housing Counseling Program was developed by DCA to provide a wide range of counseling services to both renters and homeowners impacted by Superstorm Sandy. The Housing Counseling Program is a collaboration of HUD-certified, non-profit, community-based organizations which provide assistance with application intake for the LMI Homeowner Rebuilding Program and the TBRA program, as well as the upcoming Supplemental Fund. Counselors assist with application intake as well as other supportive services such as foreclosure prevention and debt management. The Housing Counseling Program has created another avenue for those still very vulnerable populations to be directly engaged by community organizations.

Interim Assistance

After disasters, displaced homeowners often find themselves making both mortgage and rent payments on budgets still strained by other unanticipated storm-related expenses. As long as homeowners remain displaced, these storm-related expenses will persist, straining household budgets and reducing household disposable income that otherwise might support economic recovery and reconstruction.

Over the past three years, the State has leveraged multiple funding sources to provide nearly $320 million in interim assistance for families displaced by Sandy damage or reconstruction. The Homeowner Resettlement Program, funded with approximately $200 million of CDBG-DR funds, provided $10,000 grants to over 18,000 homeowners for various non-construction storm-related expenses. To receive a grant, applicants had to agree to continue to reside in their communities for at least three years after Sandy, combating the harm of out-migration from hard hit communities that occurred in other major disasters. The Homeowner Resettlement Program was targeted to alleviate storm-related financial pressures and encourage those who were able to resettle and reoccupy the homes they owned prior to Superstorm Sandy.

Following the popularity of the Resettlement Program, the State funded the Sandy Homeowners and Renters Assistance Program (SHRAP), funded with Social Services Block Grant (SSBG) monies. Through this program, the State provided up to $15,000 to homeowners and renters for rental assistance and/or to replace storm-damaged appliances.

Once SHRAP funds were exhausted, the State created the Rental Assistance Program (RAP) to assist those displaced by construction on their primary residence. Initially funded with $19.5 million of SSBG monies, RAP provides rental assistance of up to $1,300 per month for up to nine months to homeowners in RREM or the LMI Program paying rent because they are displaced by storm damage or construction. These investments have made a difference for tens of thousands of families, and the breadth of the need for rental assistance for rebuilding applicants appears to be significantly diminishing. However, for those homeowners now able to complete construction with the influx of additional funds through the Supplemental Fund, rental assistance remains an outstanding need. Enabled by waivers granted by HUD, the State has allocated a total of $18,000,000 in CDBG-DR funds to provide for these applicants and will continue to evaluate the needs of these homeowners.

Buyout

Targeted buyouts of clusters of homes in repetitive flood loss areas are also a critical recovery priority for the State. While the primary purpose of buyouts is to move people out of harm's way, buyouts also convert properties to permanent open space, allowing communities to create natural buffers to absorb flood waters from future storms and make communities more resilient to future severe weather events. Buyouts also enable state and local governments to create or expand public recreation areas, wetlands, forests and wildlife management areas, while addressing the impact of sea level rise.

At the time the initial Action Plan was approved, more than 30,000 additional homes were included in the 100-year flood plain as a result of revision of the FEMA Flood Maps. Consequently, the State prioritized providing buyout assistance 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.

In May 2013, the New Jersey Department of Environmental Protection (DEP) launched the Superstorm Sandy Blue Acres Buyout Program, leveraging multiple federal funding sources to purchase homes from willing sellers in flood-prone areas, many of which sustained severe flooding damage in past disasters as well as in Sandy.

The State has allocated HMGP funds as well as funding through the Department of Environmental Protection's (DEP) Green Acres program and the United States Department of Agriculture's (USDA) Natural Resources Conservation Service for Blue Acres Program buyouts.

The State has committed $137 million of CDBG-DR monies to fund additional buyouts. DEP also continues to work with officials and residents in other municipalities that have expressed interest in, and are being considered for, buyouts.

The State remains committed to using recovery funds to target repetitive flood loss areas in order to reduce the number of homes in these areas and to enhance community resiliency and continues to evaluate funding opportunities to meet its buyouts goal.

2.3.1.2 Needs of Renters

As a result of the storm, there is a significant shortage of rental housing in the State, particularly in the most impacted communities. Based on FEMA Individual Assistance data effective March 12, 2013, 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. Increased demand, coupled with the storm-related depletion of rental stock, substantially increased rents in some areas. As of October 2014, Zillow reported increases in rental rates between 1% and 5% year-over-year for some of the nine most-impacted counties. Taken together, the loss of units, low vacancy rates and increased costs created particular hardships for LMI households seeking affordable rental housing.

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 (824) 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.

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 repair or replace damaged rental units, particularly those that service low and moderate income households;
- Rental programs to assist currently displaced low and moderate income households; and

- Rental programs that address the unique needs of New Jersey's special needs populations.

Repair or Replacement of Damaged Rental Units

The State's foremost unmet rental need remains the repair or replacement of storm damaged rental housing stock, which will stabilize the rental market and create more affordable housing. The State has funded a number of housing recovery programs to address this need.

The State has provided over $815 million through five programs: Fund for the Restoration of Multi-Family Housing, Landlord Rental Repair Program, Sandy Special Needs Housing Fund, Neighborhood Enhancement Program and the Pre-Development Loan Fund. . In addition to providing CDBG-DR funding to repair or replace rental stock, the State has leveraged CDBG-DR and other funds to assist renters directly with storm-related needs.

Rental Assistance for Displaced LMI Households

Many storm-affected renters received funding for storm-related needs through FEMA Individual Assistance. More than $418 million in FEMA Individual Assistance was approved for homeowners and renters in New Jersey. The Working Families Living Expenses Voucher Program (also known as SHRAP), funded with U.S. Department of Health & Human Services Social Services Block Grant (SSBG) monies, also provided funding directly to individuals for rent and to replace necessary household items damaged by Sandy. The State has provided CDBG-DR funds to address the remaining unmet rental need.

The State has allocated over $17 million in CDBG-DR funds to the Landlord Incentive Program (LIP), which provides funding to landlords to make existing units available at affordable rates to low to moderate income renters. The program supplements rental payments to assist individual renters and increase the number of available affordable units.

The State has allocated more than $18 million in CDBG-DR funds to the Sandy Homebuyer Assistance Program to provide grants up to $50,000 to assist low- and moderate-income individuals with home purchases. Among other accomplishments, this assistance provided some renters with financial support to become first-time homebuyers.

Through the Tenant-Based Rental Assistance Program, the State has targeted CDBG-DR funds to supplement housing vouchers to very low income families displaced by Superstorm Sandy. The vouchers subsidized the rents of these families, making housing more affordable. Following a regulatory waiver from HUD in July 2014 (FR-5696-N-10), the State transitioned $17 million of LIP funds to its Supportive Service program in order to provide direct rental assistance to renters (rather than having to provide funding to landlords through LIP to subsidize rent costs in order to comply with HUD regulations pertaining to direct income payments). This funding is in addition to the approximately $5 million of Supportive Services program funding that addressed the cost of vouchers for very low income households through December 2013. In all, a total of $27 million in housing vouchers were provided to very low income families to assist with rental costs.

Public Housing and HUD-Assisted Housing Support

Superstorm Sandy also affected public housing. The State has conducted significant outreach to Public Housing Authorities (PHAs) to gauge the issues faced by certain PHAs as a result of the storm. Shortly following the storm, DCA held a meeting with thirteen PHA Executive Directors from the nine counties most impacted by Superstorm Sandy. Furthermore, in the Spring of 2013, DCA distributed an assessment questionnaire to PHA's around the state to allow them 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. Additional information has been provided through direct outreach calls with PHAs.

In the initial Action Plan, the State had established a set-aside of $20 million to provide the necessary resources to support repairs to damaged public housing units, damaged federally-owned housing units, and damaged HUD-assisted multi-family housing. The State committed to continue reviewing the unmet needs of public housing and to allocate an appropriate level of funding as needs were determined. An additional $10 million was then initially reserved for Public Housing Authority (PHA) recovery projects in the second allocation of federal funding. As of Autumn 2021, over $27 million has been expended towards the creation of LMI units under the PHA set-aside.

Many of the PHA projects in the pipeline have not yet determined a start date. Therefore, Amendment #27 allowed for a portion of the $30 million initially reserved for public housing authority projects through FRM to be used for other FRM projects in the event the identified public housing authority projects will not be completed by the federal expenditure deadline. However, funding PHA's and other HUD-assisted housing support remains a priority.

After establishing the set-aside, HMFA separately contacted the directors of all PHAs to explain the State's PHA recovery program and to provide contact information to direct any questions regarding the pursuit of recovery funding. HMFA again reached out directly to Sandy-affected PHAs and subsidized housing in connection with assessing unmet needs for distributing second round CDBG-DR funds. In June 2014, HMFA sought another update on remaining unmet needs as a result of Sandy. And as part of the direct outreach relating to third round CDBG-DR funding, in November 2014 DCA and HMFA met with PHAs to continue the discussion of Sandy needs. This information continues to inform the State's distribution of CDBG-DR funds and to connect PHAs to resources that may address specific needs.

The State continues to 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.

Homeless and Special Needs Support

Individuals with special needs often may be vulnerable as a result of natural disasters, due to disrupted support networks, accessibility issues or increases in cost of living. Special needs populations displaced by Superstorm Sandy include the elderly as well as 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.

In the three months following Superstorm Sandy, statistics from the Homeless Management Information System (HMIS) showed a 12% increase, or slightly greater than 4,200 in total individuals, in the All Agency Homeless Programs report. Therefore, in Amendment #6, the State shifted $17,000,000 to provide tenant-based rental assistance, ultimately providing a total of approximately $27 million in housing subsidies to very low income families and individuals. Per the federal waiver provided in Federal Register Notice FR-5961-N-02, all subsidies were scheduled to end December 31, 2018. The program spent nearly the entire allocation prior to the prescribed deadline, resulting in assistance being provided to 1,788 families throughout 115 municipalities. The State then worked with those needing continuing assistance to transition them into other federally assisted housing programs.

Based on the unmet needs identified, the State has leveraged 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. 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 has implemented these programs designed to afford special needs populations access to affordable, long-term housing, as part of realizing its identified CDBG-DR objectives.

The Department has continued to provide these services, focusing additional resources as appropriate to solve storm-related issues.

- **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 services have been supplemented by 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.

To assist households and individuals having special needs, the State has allocated nearly $60,000,000 in CDBG-DR funding to capitalize the Sandy Special Needs Housing Fund. This program, which received significant demand, provides funding to experienced for-profit and nonprofit developers to construct quality, permanent affordable rental housing throughout New Jersey. Many of the housing units being developed under the Sandy Special Needs Housing Fund restore the availability of units in Sandy-impacted communities, and as an ancillary effect, contribute to the Olmstead settlement requirements related to providing services and housing for persons moving out of institutionalized settings.

2.3.2 Economic Development

Superstorm Sandy severely impacted New Jersey's economy. The storm is estimated to have affected over 1,000,000 employees, crippling New Jersey's labor force. 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. 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.

The storm also severely impacted specific industries across the State. The warehousing and shipping industries are at risk of job losses, as companies may stop shipping and storing goods in areas prone to flooding. 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 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.

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. 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.

Following the disaster, access to capital for rebuilding and to offset business operations shortfalls presented the most critical unmet need with respect to economic development and revitalization. A number of recovery resources were directed toward addressing that need. Private insurance is one of the most critical sources of funding for business recovery. SBA loans were distributed to eligible, affected New Jersey businesses, though that federal program was not without challenges. As of September 2013, more than $46 million in SBA loans had been disbursed to almost 900 New Jersey businesses. Other private funding sources, including microloans offered through Community Development Financial Institutions (CDFIs), provided capital to recovering businesses. To supplement this assistance and help meet the identified unmet need, the State has allocated approximately $272 million.

2.3.2.1 Needs of the Small Business Community

Superstorm Sandy affected thousands of businesses across New Jersey and across all business sectors. The storm caused significant physical damage as well as short-term and long-term business operations losses. Many of the businesses in hardest hit communities fall within the leisure and hospitality industry or depend on tourism revenues for sustainability.

The State has undertaken various efforts to identify the needs of New Jersey's small business community. The New Jersey Economic Development Authority and Business Action Center engaged in meetings and outreach on a local level, county-by-county, to better understand the economic impacts of the storm. Not only did the agencies meet with local Chambers of Commerce, business community leaders and planners, but the BAC's call center collected information from businesses on their recovery needs, which was shared with state and federal departments and agencies and informed the creation of the State's economic recovery programs.

To augment assistance directly supporting economic development and revitalization, the State implemented two recovery programs funded by CDBG-DR monies and administered by the New Jersey Economic Development Authority (EDA). The Stronger NJ Business Grant Program provides grants of up to $50,000 to affected businesses for working capital and construction needs. The Stronger NJ Business Loan Program provides loans of up to $5 million to allow businesses to rebuild and expand, which in turn creates jobs for recovering New Jersey households. Between the two programs, the State has created and/or retained nearly 6,500 jobs. At the same time, the State coordinated direct assistance for impacted employees. Approximately $5,000,000 in Disaster

Unemployment Assistance was paid to affected New Jerseyans. The State has leveraged more than $15 million in federal National Emergency Grant funds to provide temporary employment related to disaster response and recovery efforts. The State also created talent networks to connect unemployed individuals with employers. The federal Sandy Task Force cited these recovery networks as a best practice in disaster recovery.

To further support economic recovery and revitalization, the State implemented the Neighborhood and Community Revitalization (NCR) program, funded with $72 million of CDBG-DR monies. The State committed funds for municipalities to support streetscape projects such as lighting and façade replacement in business districts as well as for development and public improvement projects including planned physical improvements that have recreational or cultural uses.

2.3.2.2 Tourism Needs

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 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 — demonstrated the breadth of the storm's impact on the tourism industry.

In order to better understand the impact of the storm on tourism, the State met with local travel and tourism officials, elected and non-elected officials, as well as industry groups, all who identified the same issue. As a result of Superstorm Sandy, many potential tourists were 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 resulted in convention center cancellations. It also threatened the hotel/motel industry at the shore, which projected to have lower revenues and less need to retain employees if fewer tourists are patronizing the shore 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. For these and other reasons, the misperception regarding the Jersey Shore threatened a robust recovery for the tourism industry in New Jersey.

To combat that misperception, the State sought a waiver from HUD to use CDBG-DR funds to support a tourism marketing campaign. HUD granted the waiver request, and the State allocated $25 million of first tranche CDBG-DR funds to create New Jersey's "Stronger than the Storm" campaign. The campaign included: outreach and community events; local, regional and national advertising; and marketing tools and techniques. This campaign began in May 2013, immediately after HUD approved New Jersey's CDBG-DR Action Plan when the State could begin drawing down first tranche CDBG-DR funds. The majority of the campaign occurred between Memorial Day and Labor Day, driven largely by when the State could access the CDBG-DR funds to support tourism; the State also held some autumn events to support tourism at that time.

The “Stronger than the Storm” campaign incorporated advertising across different forms of media to reach New Jersey’s target tourism market in a variety of ways. A television advertising effort introduced New Jersey’s “Stronger than the Storm” campaign to key markets such as New Jersey, New York, Philadelphia, other areas on the Eastern Seaboard and eastern Canada. Billboard advertising in top commuter locations around New York City supported the advertising campaign. Digital advertising appeared on sites popular with target audiences. Radio spots were created and aired throughout New Jersey and surrounding locales. A website designed around tourism and recovery was launched; it received over 390,000 visits and attracted 105,000 online fans. Social media was utilized and yielded 98,057 “likes” on Facebook and 6,616 followers on Twitter and 217 million Twitter impressions.

Community events across the Jersey Shore were organized and held to attract tourists and media coverage that reinforced the message that the Jersey Shore was open for business. In total, 43 events were held in shore communities that were attended by over 334,000 people, with 16,320 pieces of collateral materials distributed. Beginning with Memorial Day Weekend launch events, the campaign generated 1,746 total media placements and 1.25 billion total media impressions.

Following the most devastating natural disaster in New Jersey’s history, preliminary data on tourism metrics suggest that New Jersey’s 2013 summer season largely exceeded expectations. In nearly all cases the summer 2013 tourism season, as measured by these preliminary statistics, outperformed the summer seasons for 2009 through 2011, and only slightly trailed New Jersey’s record-breaking tourism year in 2012. This occurred despite that June 2013 was the wettest June in New Jersey’s history. Importantly, these are cumulative figures spread across all communities; many hardest hit areas saw significant declines in 2013 tourism revenues. The “Stronger than the Storm” campaign made a significant difference for tourism across the State, bringing revenues into recovering communities and protecting most hospitality and leisure jobs threatened by the impact of the storm.

However, the State’s local and business partners, especially those in New Jersey’s shore communities, emphasized the importance of additional advertising in 2014 in order to fully recover from the storm, revitalize damaged communities, and prevent any backslide from the recovery gains made by tourism-recovery investments in 2013. In particular, the hardest hit communities could not take full advantage of the 2013 tourism season because of the damage caused by the storm need a strong 2014 tourism season to support their ongoing recovery efforts. Following the success of the first tranche of CDBG-DR funds in driving tourism, support for the tourism industry in 2014 presented the State’s most immediate unmet business need. Thus, in Amendment #7, the State dedicated additional recovery resources for tourism marketing in 2014, proposing to leverage multiple funding sources to achieve a timely and effective 2014 tourism marketing campaign.

Assuming HUD was to grant the State’s waiver request to increase by $5 million the State’s cap on using CDBG-DR funds for tourism – making New Jersey’s cap the same as that approved for New York State – the State planned to add $5 million of second tranche CDBG-DR funds to bolster the tourism marketing effort. While the State did not envision a 2014 tourism campaign investment on par with the investment in 2013, the State proposed that a meaningful investment was required in 2014 to be responsive to the storm-related needs of the tourism industry, given the importance of that industry to employees, business owners, local communities and the State. While a reallocation of funds in Amendment #7 was approved by HUD, the delay in providing the necessary waiver to increase the marketing funding cap caused the State to execute a scaled back version of the marketing campaign using remaining CDBG-DR funds from the first round and state funds. The excess funds were reallocated to address an unmet housing need.

2.3.3 Infrastructure

Superstorm Sandy significantly affected New Jersey's infrastructure. The combination of storm surge, wave action, and high winds damaged or destroyed much of New Jersey's existing coastal risk reduction infrastructure. Breach of New Jersey's dune systems and other extensive flooding in non-coastal areas resulted in significant damage to homes, businesses, and critical infrastructure throughout the State.

The State has collaborated with FEMA, the U.S. Army Corps of Engineers, U.S. Department of Transportation, U.S. Environmental Protection Agency, and other federal agencies to leverage available funding streams to allow for the repair of key infrastructure and public building assets and also to pursue significant resilience initiatives.

Significant needs remain unmet in all infrastructure sectors. The State continues to analyze and update its unmet needs assessment across infrastructure sectors. Specifically, New Jersey's agencies have conducted extensive damage assessments of infrastructure facilities and equipment throughout the State. The State has also taken steps to improve New Jersey's resiliency for future severe weather events. To that end, New Jersey has partnered with several federal agencies to assess and identify opportunities to rebuild more resilient infrastructure. The State has also engaged six universities to evaluate repetitive loss areas and develop innovative flood risk reduction strategies. The estimated cost of these resiliency measures has been factored into the unmet needs assessment.

Specifically, this assessment calculates: (i) the cost of repairing storm-induced damage minus the amount eligible for Federal Assistance (including Army Corps, EPA, Federal Highway Administration (FHWA), Federal Transit Administration (FTA), FEMA, and other federal agencies) plus local match; and (ii) the cost of implementing identified hazard mitigation projects as reported through state agencies as of December 31, 2013. Based on this analysis, New Jersey currently has an estimated unmet infrastructure need of more than $17.3 billion.[2]

Table 2-5: Summary of Unmet Infrastructure Needs

Infrastructure Category	Estimated Damages	Mitigation and Resilience Opportunity Cost	Eligible Expenses and Other Funding	Resulting Unmet Need
Flood Hazard	$46,854,315	$6,177,032,189	$1,268,557,374	$4,955,329,131
Energy	$787,257,003	$4,831,256,727	$10,979,143	$5,607,534,587
Water/Wastewater	$803,941,989	$2,141,682,936	$306,004,498	$2,639,620,426
Transportation	$810,175,282	$3,251,402,178	$353,263,699	$3,708,313,761

[2] This estimate from Amendment No. 7 was revised from $25 million in the initial Action Plan in accordance with the additional sources of information provided by HUD in FR-5696-N-06 to calculate infrastructure unmet need.

Community Facilities	$514,252,632	$72,018,619	$349,723,060	$236,548,191
Debris Removal/Dredging	$730,360,727	-	$504,954,463	$225,406,264
Total	**$3,692,841,948**	**$16,473,392,649**	**$2,793,482,237**	**$17,372,752,360**
Source: FEMA Project Worksheets; Army Corps of Engineers; NJOEM, NJBPU, EITS DONA Survey, NJDEP, NJ Transit, NJTA, SJTA				

The State has implemented programs in a targeted effort to mitigate this need.

2.3.3.1 Flood Hazard Risk Reduction & Resiliency Needs

Superstorm Sandy highlighted New Jersey's vulnerability to coastal and other flooding. All along New Jersey's 126-mile Atlantic coast, the combination of storm surge, wave action, and high winds overcame and eroded engineered beach and dune systems. According to the National Weather Service, Sandy produced record wave heights of more than 30 feet near Sandy Hook, resulting in a storm surge 8.57 feet above sea level. Significant inundation also occurred in densely populated urban areas as well as non-coastal communities in many of New Jersey's floodplains.

When Sandy hit, large sections of the New Jersey coast were outfitted with beach and dune systems built by the U.S. Army Corps of Engineers (Army Corps) in partnership with the State and local governments. However, large segments of New Jersey, including densely populated areas along the Hudson River, did not have risk reduction measures in place at the time of the storm and experienced significant flood inundation. Those areas which had been the beneficiaries of the Army Corps' coastal risk reduction projects, including sand dunes, berms, and engineered beaches, suffered significantly less damage than those without similar risk reduction infrastructure.

Although New Jersey's existing coastal risk reduction infrastructure effectively protected some communities, it was also significantly damaged by Sandy's record storm surge. Dunes and other risk reduction measures that cushioned the storm surge's blow during Sandy were significantly eroded and in some cases washed away entirely. According to the CRC's Beach-Dune Performance Assessment of Atlantic County, "huge breakers [from Superstorm Sandy] essentially bulldozed the berm, beach and irregular dune system all along the . . .Atlantic shoreline."

To restore the beaches and coastal infrastructure damaged by Sandy, the State has taken several steps to pave the way for the Army Corps to begin construction of previously designed and congressionally authorized projects on an accelerated schedule. Many beaches and coastal areas of the State are privately owned. Prior to beginning construction, the Army Corps requires that the State acquire the necessary property rights, or easements, to allow for the construction of coastal risk reduction measures. The State has worked hand-in-hand with community leaders to encourage homeowners to voluntarily provide easements to allow projects to be constructed to benefit their neighbors and larger communities. The State continues to seek voluntary easements from properties for upcoming projects. An Executive Order by Governor Christie directed the State's Attorney General to take legal action to acquire the necessary easements to build dunes and construct engineered beaches. The State also created the Office of Flood Hazard Risk Reduction Measures to support these efforts. In collaboration with the State, the Army Corps has already undertaken construction of certain dunes and engineered beaches, but significant areas of the State remain vulnerable.

The State has identified substantial unmet needs in connection with the Army Corps repair and restoration of engineered beaches, dunes, and other existing risk-reduction measures in 14 project areas. The Army Corps has identified over $1.6 billion in total funding towards flood hazard/coastline projects, approximately $1.2 billion of which will be federally funded. The State's local match obligation of these Sandy-related Army Corps projects is $369,450,000. HUD Federal Register Notice FR-5696-N-06 provides that the use of CDBG-DR funds to satisfy Army Corps local match obligation is limited to $250,000 per project. Based on this restriction, the CDBG-DR-eligible portion of the State's local match obligation is $2,250,000. In addition, local communities have identified more than 350 flood risk reduction and resiliency projects – including the installation of pump stations, the construction of new flood walls, and other system improvements – at an estimated implementation cost of $4,573,207,003. $46,854,315 in project worksheets have been submitted to the FEMA Public Assistance (FEMA PA) program for flood infrastructure repair, of which $34,182,188 has been deemed eligible for federal funding. Therefore, excluding the federal share, New Jersey's estimate of its unmet flood risk reduction and resiliency needs totals approximately $4,955,329,131.

In response to this need, the State has allocated $100 million to the Flood Hazard Risk Reduction Programs, which provide grants for short- and intermediate-term projects, such as the installation of pump stations, outfall pipes, and stormwater collection systems. The program also funds efforts to work with New Jersey's coastal municipalities to acquire easements to allow for reduction and flood control projects in partnership with the Army Corps. Through these efforts, the State has funded eight projects and acquired 195 easements.

In addition, the State has allocated nearly $75 million to provide the required match for FEMA-funded projects. This program was allocated $75 million to reimburse both State agencies and local government entities their match requirement for FEMA funded recovery projects. The State Program has reimbursed projects at 22 State agencies. The Local Non-Federal Cost Share Program has reimbursed the match requirement paid by 149 municipalities, counties and school districts. Now the Local Program is providing the match for FEMA-funded resilience projects, including home elevations. The balance will cover the active municipal agreements.

The State continues to make substantial progress in DEP's Blue Acres program, which acquires properties in flood-prone areas in order to remove residents from harm's way and, through the creation of open space, enhance natural protections against future severe weather events. The State has allocated $137 million in CDBG-DR funds towards purchasing and demolishing properties within the floodplain. The State continues to evaluate homes located in repetitive flooding communities. The buyouts program also serves as one of many examples in which the State has leveraged multiple funding sources to maximize resources for critical recovery initiatives. Thus far, New Jersey has leveraged funding through HMGP, CDBG, and the federal Natural Resource Conservation Service, as well as State monies, to purchase properties in flood-prone areas.

DEP also is moving forward on two large-scale flood mitigation projects in the Meadowlands region and along the Hudson River. Both projects were selected by HUD and funded through HUD's Rebuild by Design (RBD) initiative. Working with HUD, our local communities, and stakeholders, DEP will focus on scaling these projects to available funding to realize flood protection measures consistent with the vision in the RBD project submissions. These RBD projects are discussed in more detail in Action Plan Amendment #12, 20, 22, and 25.

Finally, DEP continues to evaluate and fund other critical flood protection initiatives leveraging various funding sources, including State funds, and funds from HUD, EPA, FEMA, and the U.S. Department of Interior, among others. These initiatives will continue to focus on critical risk reduction measures, which include, among other things, addressing flood risks posed by coastal lakes and inland waterways, enhancing storm water management systems, and incorporating both man-made flood barriers and nature-based solutions where appropriate.

2.3.3.2 Utility Infrastructure Needs

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. 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.

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.

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, 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 costs of building a more resilient utility infrastructure will be substantial. For energy and water/wastewater-related infrastructure alone, the unmet need is over $8 billion.

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.

In addition to these efforts, New Jersey has identified a number of initiatives, funded with $327 million in CDBG-DR funds to help address the unmet need and fortify the State's infrastructure.

Energy Infrastructure

New Jersey's critical energy infrastructure and assets experienced significant disruption in service, which brought everyday operations to a standstill and had significant, and in some cases life-threatening, community impacts. Hospitals, nursing homes, long-term care facilities, domestic violence shelters, foster homes, mental health facilities, and other critical social service providers throughout the State were forced to contemplate evacuation in light of prolonged power outages. Even those critical infrastructure and assets reliant on diesel generators for back-up power experienced electric reliability issues, due to limitations on the availability of liquid fuel. Petroleum production, transport, distribution, and retail sales were also significantly impacted. In many cases, flooding and wind damage to key facility components, coupled with electrical outages, rendered petroleum production and delivery systems unusable, by disabling refineries, terminals, pipeline operations, and gas stations needed to deliver petroleum products to end users. Over 70 percent of gas stations in northern New Jersey were unable to operate for as much as a full week after the storm. As one of the largest petroleum product hubs in the northeast, damage and loss of power to New Jersey's petroleum infrastructure – including the Colonial Pipeline – caused interruption to fuel distribution across the region, including to New York City and Long Island.

Immediately following the storm, the State and its utilities took steps to restore the State's energy services. The State mobilized over 17,000 crew workers, the largest mutual aid response to a hurricane in history, to restore electrical services. In addition, natural gas service was restored to all customers who could safely accept it. The State has taken action to address supply- and retail-side liquid fuel interruptions in preparation for future hazards or events, using FEMA HMGP funds. New Jersey's Retail Fuel Station Energy Resiliency Program targets retail fuel stations within one-quarter of a mile of identified evacuation routes in the State and incentivizes the permanent installation of a back-up electric generator or "quick connect" capability. In addition, the State has partnered with the U.S. Department of Homeland Security to explore opportunities to increase the resiliency of the State's petroleum storage, distribution and supply systems. New Jersey has also taken steps to fully assess the impact to the State's energy infrastructure and develop long-term recovery plans focused on increased energy resilience. To that end, the State partnered with the U.S. Department of Energy (USDOE), the USDOE's National Renewable Energy Laboratory (NREL), and FEMA to study opportunities to expand energy resilience for the State's critical infrastructure and assets.

As part of the State's partnership, NREL conducted a comprehensive analysis of energy needs of critical facilities in municipalities and counties and identified opportunities for communities to build energy resilience by pursuing innovative – but cost-effective – energy solutions. In some cases, NREL's analysis identified cost-saving opportunities, including retrofitting existing solar panels on public buildings to "island off" from the larger electric grid. The State has increased funding to the New Jersey Clean Energy Program, to provide increased rebates to projects that are rebuilding with clean energy and Energy Star projects to reduce grid demand in affected areas. In addition, the State has undertaken a cross-agency initiative to enhance the State's mapping capabilities to assist the State in identifying cost-effective candidates for distributed generation.

The State also partnered with President Obama's Hurricane Sandy Rebuilding Task Force, the USDOE, and Sandia National Laboratories to study energy resilience through expanded use of micro-grid networks to protect critical facilities in urban centers and transportation networks. Despite widespread failure of the electric distribution system, there were several entities throughout New Jersey in storm impacted areas that maintained full power; even in the face of prolonged and diffuse failures of the larger electric grid. These "islands of power" had distributed generation units, which allowed these facilities to operate as micro-grids while the distribution grid was down. Several medical facilities were also able to maintain power through CHP micro-grids, becoming larger shelters as well as accepting patients from other facilities. Further, as the President's Hurricane Sandy Rebuilding Task Force's Rebuilding Strategy noted, the Bergen County Utilities Authority (BCUA) was able to operate its sewage facilities both during and after the storm by relying primarily on a biogas-powered CHP system. The resilience of these facilities during and after the storm highlights opportunities to protect certain critical infrastructure by pursuing technologies that allow facilities to operate independently from the grid or by utilizing more cost-effective, energy efficient and cleaner resilient power options.

The costs of building a more resilient energy infrastructure will be substantial. Additionally, combatting significant storm related increases in service costs is critical for financially strained, recovering households, particularly low-income households still suffering from the impacts of Superstorm Sandy. Publicly regulated utilities in New Jersey have identified a need of $945,919,000 to repair damage to utility infrastructure. These utilities have also estimated costs of $4,038,500,000 in projects to prevent future storm damage to generation, transmission and fuel delivery infrastructure. Additionally, $301,838,003 in project worksheets have been submitted to the FEMA Public Assistance (FEMA PA) program for energy infrastructure and emergency generator projects, of which $10,891,643 has been deemed eligible for federal funding. There has also been an identified need of $332,169,227 in Hazard Mitigation Grant Program funding for energy infrastructure. Therefore, excluding the federal share, New Jersey's current estimate of its unmet energy infrastructure needs totals approximately $5,607,534,587.

In response, the State announced $40 million in HMGP Energy Allocations to municipalities, counties and critical facilities that can support a variety of alternative energy solutions – microgrids, solar power with battery back-up, and natural gas-powered emergency generators, among others – so they can operate even if the power grid fails.

To address the liquid fuel shortages experienced during Sandy, the State formulated a multi-pronged approach. The State established a $10 million HMGP-funded initiative providing grants to retail fuel stations along key evacuation routes for backup generators or quick connect devices that allow a station to quickly connect to a portable generator. The New Jersey Office of Emergency Management also procured a cache of portable generators that are strategically positioned across the State and can be mobilized in the time of emergency to power, among other critical facilities, retail fuel stations. To address longer-term supply issues, the New Jersey Office of Homeland Security and Preparedness partnered with the U.S. Department of Homeland Security on a detailed assessment of the State's liquid fuel supply and distribution system to explore ways to enhance resilience. The joint assessment is ongoing.

To supplement these funds, the State has allocated $199 million to create the New Jersey Energy Resilience Bank that will fund projects that will help prevent a reoccurrence of the energy disruptions and build energy resilience at facilities that experienced a disaster-related impact from Superstorm Sandy, or other qualifying disasters. In addition, the State has allocated $81 million to provide matching funds for projects funded by FEMA.

Water & Wastewater Infrastructure

At the height of the storm, 94 wastewater treatment systems in all 21 counties suffered failures or disruption, including reduction or complete loss of power; reduction or loss of treatment capacity; broken sewer mains; and other operational issues. Treatment facilities, pump stations, and sewer mains in several areas on the barrier islands sustained catastrophic surge and flood damage or, in some cases, complete destruction. Salt water inundation of pump stations destroyed electrical equipment, including pumps, motors, and electric controls. Damage also spread to municipal storm water systems, many of which were clogged with sand or other sediment. Several regional wastewater facilities were either rendered inoperable following Sandy or operated with reduced capacity for an extended period of time.

New Jersey's drinking water and wastewater operations were significantly compromised as a result of Superstorm Sandy, resulting in $2.6 billion in estimated needs (including emergency repair, recovery, mitigation and resiliency). A variety of sources confirm the significant unmet needs that New Jersey's environmental infrastructure faces in the long-term recovery process. Following Superstorm Sandy, New Jersey's Environmental Infrastructure Trust collected information from over 380 water and wastewater utilities, on their total needs, including resiliency costs. Through this process, water and wastewater utilities and municipalities identified $636 million in damages and resilience projects that will cost an additional estimated $1.6 billion. These resilience projects are critical to ensure that facilities impacted by Superstorm Sandy and other qualifying disasters are better able to withstand and recover from future extreme weather events. Ultimately, any resilience project identified by the State would need to meet eligibility requirements of the administering funding agencies. Separately, as of December 31, 2013, $167.5 million in project worksheets have been submitted to the FEMA PA program for drinking water, wastewater, and storm water infrastructure projects, of which nearly $123 million have been obligated with federal funds; the total remaining funding is about $38 million. In addition, Letters of Intent for State Revolving Funds (SRF) 2015 funding estimated nearly $1.1 billion in funding needed for environmental infrastructure-related projects. In addition, there are Sandy-related drinking water funds for New Jersey from EPA totaling $38 million with a match requirement of more than $7.6 million. Clean water funds for New Jersey from EPA totaling $191 million carry a match requirement of more than $38 million. While there is likely some overlap between these three data sources, at least $2.6 billion in damages and resilience opportunities have been identified as unmet needs.

To address impacts of Superstorm Sandy on water and wastewater facilities, the State will devote $229 million of recovery funding through the U.S. Environmental Protection Agency to resilience initiative. These funds, administered through the State Revolving Fund programs, will modernize and improve these critical facilities, including through projects aimed at preventing future sewage overflows. The SAIL Bridge Loan Program will assist with the financing for projects to repair Sandy damaged infrastructure and improve the resiliency of Clean Water and Drinking Water Systems. Additionally, Sandy NJEIFP Loans (with principal forgiveness up to 18%) are available for environmental infrastructure projects to improve the resilience of Sandy damaged systems in future natural disasters. Recognizing that the demand may exceed available funds, resilience projects will also receive funding priority in the Traditional SFY2015 NJEIFP, subject to the availability of funds. To supplement these funds, the State has allocated $47 million in CDBG-DR funds as a matching contribution to EPA funding through the Clean Water and Drinking Water State Revolving Funds. The State also has sought to leverage other funding sources to support these and other critical facilities.

As detailed above, the State is targeting Sandy-impacted water and wastewater facilities in the first round of funding through the New Jersey Energy Resilience Bank. Additionally, the State, primarily through the New Jersey Office of Emergency Management, has sought to maximize the impact of mitigation funding available through Section 406 of the federal Stafford Act. Section 406 mitigation awards have been incorporated into approximately 87 percent of New Jersey's large FEMA Public Assistance projects (i.e., projects over $500,000) – an unprecedented figure. In the most significant example of this effort, this past summer the State secured a $260 million FEMA Public Assistance Section 406 mitigation award – the largest mitigation award in FEMA history – to incorporate storm-hardening measures and energy resilience at the Newark wastewater treatment plant operated by the Passaic Valley Sewerage Commission, which serves more than two million customers in New Jersey and New York. In addition to the $199 million in CDBG-DR funds provided to fortify energy infrastructure through the Energy Resilience Bank, the State has also provided $81 million through matching funds for FEMA projects.

2.3.3.3 Transportation Infrastructure Needs

Superstorm Sandy significantly affected New Jersey's transportation and transit infrastructure, crippling mobility across the region. To protect life and mitigate the potential for damage, the State closed three quarters of the 173-mile long Garden State Parkway prior to the storm – an unprecedented safety precaution. New Jersey Transit (NJ Transit) also instituted a system-wide shutdown of all services, including bus, rail, light rail, and ferry services. Superstorm Sandy's strong storm surge and high winds wreaked havoc on New Jersey's roadways. A number of roads in shore communities were entirely washed out, as were the berms and seawalls 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 and scour.

Even roadways that did not flood experienced significant damage. In Jersey City and Point Pleasant, the arms of barrier gates were torn 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 damaged and disabled by the storm's powerful winds. Traffic signals throughout the State were knocked down or otherwise rendered inoperable by power outages. Sandy also caused sinkholes throughout the State; on State Routes 35 and 36 alone, the storm created approximately eighty sinkholes.

Immediately following Sandy, the State completed emergency repairs and implemented protective measures to ensure that primary roadways were passable. Among these initial efforts to restore the roadways to operational condition, the State removed trees and large debris – including cars, watercraft, and other structures – from public roads and rights-of-way; removed over 4,000 truckloads of sand; and replaced over 1,000 traffic signals. In reconstructing the State's transportation infrastructure, the State aims to build back a more resilient infrastructure. For example, State Route 35's reconstruction will incorporate best practices in mitigation, including an improved drainage system, pump stations, and 24-inch thick pavement and sub-base materials. In addition, the State has undertaken the installation of more than four miles of steel sheeting to further protect Route 35. The State is also using advanced technologies in rebuilding, including radar, to detect voids under roadways. Other long-term projects have been completed, 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 storm also significantly impacted New Jersey's public transit systems. Commuter rail service was disrupted for months in what has been described by the President's Hurricane Sandy Rebuilding Task Force as "the worst disaster for public transit systems (e.g., bus, subway, commuter rail) in the nation's history." NJ Transit's rail network experienced substation flooding, track washouts, downed overhead catenary wires, and damage to signal and communications systems.

The cost of rebuilding a more resilient transportation and transit infrastructure will be substantial. Superstorm Sandy is estimated to have caused a total of $810 million in damages to systems maintained by the New Jersey Department of Transportation, the New Jersey Turnpike Authority, NJ Transit, the South Jersey Transportation Authority, and county and municipal transportation agencies. Nearly 50 percent of that amount pertains to NJ Transit assets. An additional $3,251,402,178 in resiliency projects is needed to ensure protection of roadways and transit systems from future events.

In rebuilding, the State has incorporated best practices and a layered approach to hazard mitigation to make transportation infrastructure less susceptible to future storm damage. Rebuilding Route 35 is one example of the types of layered mitigation projects being implemented in New Jersey. The State is installing a two-foot thick stone-and asphalt roadway, providing a more stable road and smoother driving surface. A new storm-water drainage system has been designed to handle 25-year storms and will feature nine pump stations and treatment facilities to filter and purify the storm water prior to discharge into Barnegat Bay. In addition, the State has undertaken the installation of more than four miles of steel sheeting – funded by the Federal Highway Administration – to further protect Route 35 and surrounding communities. The steel sheeting project is expected to be completed in the immediate future, and will be incorporated into a dune system as part of U.S. Army Corps' engineered beach project. In addition to protecting the road infrastructure, these measures also provide increased protection for the surrounding communities.

On the transit side, more than $2 billion is being invested to enhance resilience. In September 2014, the State was awarded $1.276 billion by the Federal Transit Administration to fund five projects designed to enhance energy resilience and harden NJ Transit key infrastructure assets. One of the projects – "NJ TransitGrid" – will be a first-of-its-kind microgrid capable of providing highly reliable power to support regional transit services even when the power grid is compromised. In addition, NJ Transit is pursuing other resilience initiatives for its system, including: raising substations in flood prone areas; building new storage, service, and inspection facilities; and implementing various flood control strategies for vulnerable facilities.

To supplement funding provided by the Federal Highway Administration, the State has provided $68 million in CDBG-DR matching funds to repair critical roadways.

2.3.3.4 Community Facilities Infrastructure Needs

Superstorm Sandy significantly damaged many New Jersey community facilities including schools, parks, police and fire departments and other public buildings.

Schools

Flood waters and power outages forced at least 370 school districts to close for at least one week. Seventy-seven New Jersey schools suffered physical damage as a result of the storm, including flooding, roof and other structural damage, and window damage. The damage inflicted on schools by Superstorm Sandy is estimated at more than $36 million, $21 million of which was not covered by insurance or FEMA funds. In the aftermath of the storm, the New Jersey Department of Education coordinated alternative accommodations and transportation needs for more than 2,800 displaced students. Within three weeks of the storm, 99 percent of New Jersey schools were reopened. Damage to six New Jersey schools was so severe that they remained permanently closed for the remainder of the school year. On Long Beach Island, one Sandy-damaged school remains closed and is expected to reopen in March 2014.

FEMA's Community Disaster Loan (CDL) program is the primary source of direct funding for municipalities and other government entities with budget challenges following a natural disaster, including challenges created by unanticipated storm- related expenses and losses of ratables or other revenues. However, the regulations presently governing the CDL program result in its not being sufficient to ensure all affected entities are able to continue providing essential public services to residents within the constraints of existing local government and school district budgets. Recognizing that 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, the State established the Essential Services Grant (ESG) Program. Funded with $134 million in CDBG-DR funds, this program provided funding to counties, municipalities, school districts and other government entities to ensure continued funding of essential public services for residents.

State and Community Parks

Superstorm Sandy also caused substantial damage to New Jersey's State and community parks. Throughout impacted communities, State and local officials worked to repair and reopen community parks. In many cases, cleanup involved significant and costly debris removal. Statewide, New Jersey marinas, beaches, parks and boardwalks suffered more than $80 million in damage. As part of the disaster cleanup, the State conducted aerial surveillance of New Jersey beaches; assisted in the removal of 200 vessels from state waters; completed side scan sonar of 195,000 underwater acres; and cleared debris from 275 marinas. In addition, recreational beach water quality monitoring was performed at 175 ocean and 43 bay monitoring stations to ensure public safety. As a result of these efforts, nearly 100 percent of New Jersey beaches were open prior to Memorial Day Weekend. Moreover, the State spent considerable effort to restore public boardwalks despite severe damage or total destruction of many of New Jersey's iconic boardwalks. There is approximately $23 million in projects remaining to be completed.

In complement of these efforts, the State has provided nearly $75 million in matching CDBG-DR funds for FEMA projects. Moreover, as described above, the State provided $134 million in CDBG-DR funds through the Essential Services Grant Program to ensure continued funding of essential public services for residents.

Public Health and Safety

Police departments across the State suffered damage. Local fire departments, which are predominantly volunteer-led in New Jersey, were crippled, sustaining an estimated $237 million in damage. The loss of facilities as well as public safety and emergency vehicles caused increased response times for fire and medical services, further endangering local residents. Since the storm, the State has worked with local communities in repairing and rebuilding this critical infrastructure. While some facilities have been restored, more than $56 million in damage remains, forcing some communities to rely on neighboring towns to share services.

In addition, the State has worked to protect New Jerseyans' health during Sandy recovery. For example, the State created the Hope and Healing program, which offers confidential mental health information and referrals from trained counselors. Moreover, once surfaces of homes were submerged in water, the paint typically beings to flake, causing increased lead and other health hazards for those residing in homes built prior to 1978. The Department of Health received Social Services Block Grant (SSBG) funding for a Lead Risk Assessment Program for Young Children. This program provided funding for community outreach and testing of young children, pregnant women, and adults performing physical recovery work for blood lead levels and case management services. However, the SSBG funding did not cover lead assessment and remediation. To address this need, The State has provided $1.1 million in CDBG-DR funds to create the Lead Hazard Reduction Program with a primary focus on providing funding for lead assessment, lead hazard reduction, and clearance.

In addition, the New Jersey Department of Health launched a public awareness campaign – including radio, op-ed articles and flyers – encouraging people working on recovery efforts to protect their health by getting a tetanus booster and by wearing goggles, rubber gloves, boots and a respirator; using insect repellant to protect against West Nile Virus and other mosquito-borne diseases; and taking measures to minimize storm-related mosquito-breeding habitats. The Department also published a pamphlet that provides guidelines to residents on how to assess mold and hire contractors to remove mold, distributing more than 13,000 copies in English and Spanish, as well as providing free training classes to more than 800 participants. To this end, the State allocated $1.6 million through the Supportive Services program to Mosquito Surveillance and Mosquito Control Programs, administered by the Departments of Health and Environmental Protection, respectively, to support efforts to address the increased mosquito population resulting from changes in the environment due to Superstorm Sandy.

Public and Community Buildings

Superstorm Sandy did more than $231 million in estimated damage to many public and community buildings, which provide critical services to New Jersey residents including city/town halls, courthouses, libraries, post offices, correctional facilities, day care, family and social services centers and senior care facilities. As with public health and safety infrastructure, many of these facilities remain damaged. Complete and immediate repair of these buildings is critical to New Jersey's recovery. The current unmet need exceeds $136,000,000. New Jersey's overall unmet infrastructure need for community facilities is $236,548,191. Although the State is limited in its ability to provide CDBG-DR funds to public facilities, the State has ensured municipalities were adequately assisted through the allocations to Non-Federal Cost Share and Essential Government Services programs to provide assurances that citizens would not lose essential services while vital community infrastructure was being rebuilt.

2.3.3.5 Debris Removal Infrastructure Needs

In the process of damaging homes, businesses, and infrastructure, Sandy's violent storm waters have had devastating and continuing impacts in the form of newly accumulated debris and sediment in waterways across the State, in confined disposal facilities and landfills that now have reduced long-term capacity. In allocating funding to CDBG-DR grantees, HUD did not consider the present and future unmet needs associated with debris and sediment management, but the already realized (and expected future) costs are substantial and will impact the State's ability to respond to recovery challenges by diverting already limited resources. Sandy-related sediment can be found in approximately 160 of the State's over 200 coastal navigation channels. This sediment is a threat to navigation (commercial, recreational, commuting) and must be addressed as an important part of New Jersey's long-term recovery efforts. The New Jersey Department of Transportation's Office of Maritime Resources has identified potential dredging projects at an approximate cost of $150,000,000. New Jersey has already made substantial progress in dredging and debris removal, using side-scan sonar and other technologies to prioritize areas of need. The State is working actively with FEMA to dredge channels, but coastal lakes and other sediment-laden bodies of water will continue to present flooding and other challenges.

Because of Sandy, numerous homes were knocked off their foundations, were left in a state of dilapidation or disrepair, or were made a fire hazard or danger to public health or welfare (collectively, "unsafe structures"). Municipalities have been responsible for addressing unsafe structures within their borders. In many cases, property owners have taken steps to remediate or demolish Sandy-impacted unsafe structures on their properties. Some municipalities also have offered programs to impacted property owners whereby, with the consent of the property owner, the town will incur all costs of demolition, provided that the structure being demolished is considered by FEMA to be in "imminent danger of partial or total collapse." Under FEMA's Private Property Debris Removal (PPDR) program, FEMA will reimburse 90 percent of eligible costs to demolish these structures. The philanthropic community also has provided assistance to some impacted property owners needing to demolish unsafe structures. By these combined efforts, substantial strides have been made toward addressing unsafe structures. This program provides funding to be used by state agencies to obtain resources to identify unsafe structures in need of demolition, to demolish unsafe structures, to remove debris, and to perform any additional activities or address other costs ancillary or related to demolitions. Where applicable, demolition and debris removal activities under this program will comply with the New Jersey Superstorm Sandy Demolition Guidance Document issued in April 2013, which incorporates the federal requirements imposed by the National Emission Standards for Hazardous Air Pollutants.

As of December 31, 2013, throughout the State, the damage estimates reflected in FEMA project worksheets was $730,360,727 for debris removal and clearance/demolition of storm-related debris. The federal share of this damage is $504,954,463, which leaves the unmet need for debris removal for the State at over $225 million. In addition to the nearly $75 million in matching CDBG-DR matching funds allocated by the State, New Jersey also implemented the Unsafe Structures Demolition Program with $4 million in CDBG-DR funds to assist the ongoing efforts to remove debris and unsafe structures. The program completed demolitions for 95 eligible properties.

2.3.3.6 Port Authority of New York and New Jersey

The Port Authority of New York and New Jersey is a bi-state agency that provides transportation, terminal and other facilities of commerce in the New York-New Jersey Port District, including bridges, tunnels, airports, transit and bus terminals. In Federal Register Notice FR-5696-N-11, HUD directed New Jersey to “update the needs assessment” for Port Authority in Action Plan Amendment No. 7. Specifically, the State again must assist the Port Authority in “address[ing] resiliency and local cost share requirements for damage to . . . the Port Authority or demonstrate that such resiliency needs and local cost share has otherwise been met.”

Superstorm Sandy caused significant damage to Port Authority assets, including, but not limited to, extensive damage to the Port Authority Trans-Hudson (PATH) transit system, an interurban rapid transit system, which links Manhattan with neighboring New Jersey urban communities and suburban commuter railroads. The State worked with the Port Authority to assess the agency’s needs. The Port Authority’s General Counsel’s Office and other staff were consulted as part of this process. The Port Authority has estimated total damages from Superstorm Sandy to exceed approximately $2 billion, which does not include possible future latent damages. The Port Authority has also identified additional resiliency and mitigation projects.

While the State continues to evaluate infrastructure needs, the Port Authority’s recovery needs are anticipated to be satisfied, in part, by grant proceeds from the Federal Transit Administration and FEMA Public Assistance programs, among other federal sources. The Port Authority will meet remaining recovery needs, including funding for non-federal projects and meet non-federal cost shares associated with FTA and FEMA funding streams, through proceeds from insurance and available Port Authority capital funds, including through the issue of its debt obligations.

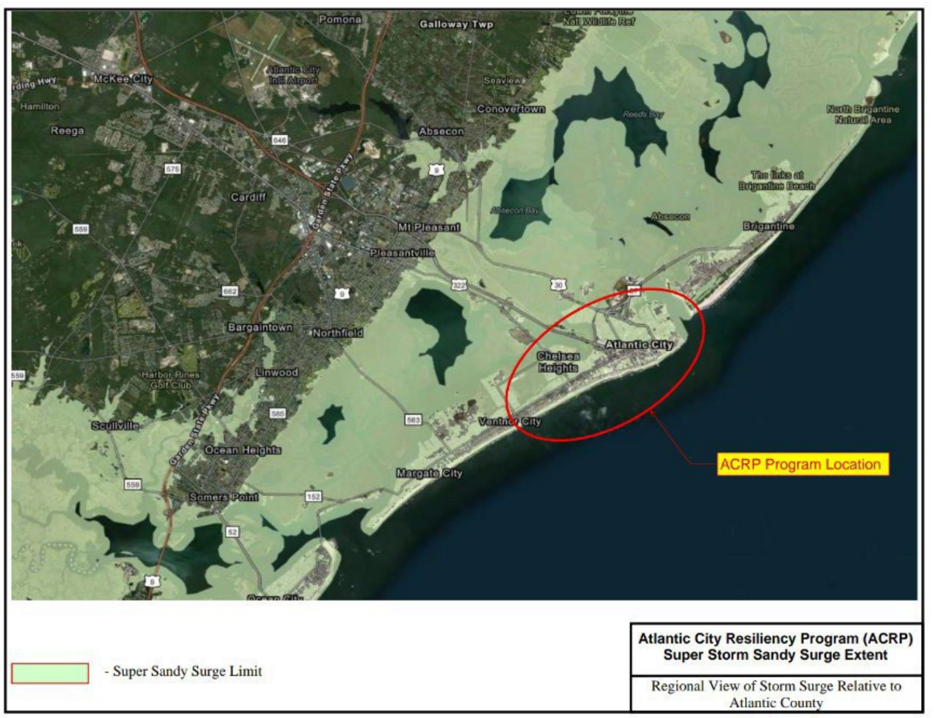
2.3.3.7 Rebuild by Design

As described in Federal Register Notice FR-5696-N-11 (October 16, 2014), RBD Projects are considered as having met the requirement for impact and unmet needs assessment as a result of the RBD competition process.

2.3.3.8 Atlantic City Infrastructure Needs

In 2014, a Strategic Recovery Planning Report for Atlantic County was published. The report provided maps and other information about the impact of Superstorm Sandy in the county. These maps and other narratives detailed the flooding risk for Atlantic County including Atlantic City. The impact of the storm exposed the vulnerabilities of the community. Atlantic City is in a Flood Hazard Area (Zone AE or Zone VE) as defined by the FEMA National Flood Hazard map. Both hazard areas are considered high risk for flooding and very suspectable to flash flooding and hurricane surges. In fact, Superstorm Sandy created an extreme storm surge. Insurance claims as reported by Atlantic City totaled $83.3 million in losses. The inundated areas created flooding throughout the neighborhoods in Atlantic City, especially those closest to the Atlantic Coast.

The map below shows the inundation by storm surge during Super Storm Sandy and the location of Atlantic City.



As the result of the inundation, Atlantic City suffered damage to its infrastructure. Atlantic City discussed with DCA and the Governor's office the remaining unmet infrastructure recovery needs the city was experiencing as a result of Superstorm Sandy and the creation of the Atlantic City Resiliency Program. In 2018, the City sent a list of projects for DCA to consider for the Atlantic City Resiliency Program. DCA developed and used a list of criteria to select the projects that would be funded. After evaluation, the list was shortened to seven projects. These seven projects make up the Atlantic City Resiliency Program. Funding was allocated to the program in APA 35, which included a complete description of each proposed project. Subsequently one of the projects involving traffic signal upgrades was dropped from the project list and the funded projects were reduced to six. The remaining projects include:

- Lawrence Chelsea Bulkhead Replacement
- Gardener's Basin Park Bulkhead Stabilizing and Dredging
- South Boulevard Bulkheads
- Ducktown-Chelsea Bayfront Bulkhead Replacement
- Inspection and Replacement of Check Valves along the Bay

- Public Building Dry Flood Proofing

The map below shows the six projects selected overlain on a map that shows the Superstorm Sandy Storm Surge.

The location of the disaster related impacts addressed by the Atlantic City Resiliency Program are in Atlantic City and all identified projects in the program will meet the Urgent Need national objective. The type of impact for all six projects was flooding due to storm surge. 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 disaster impact for the bulkhead and dredging projects: As a result of the damage caused by the inundation and wind damage, many of the homes in this area were eligible for the CDBG-DR Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program. To be eligible for the RREM program the home must have sustained damage as a result of Superstorm

Sandy of at least $8,000 or had more than one foot of water on the first floor.

Following Superstorm Sandy there were numerous reports in the Atlantic County region of shoaling of sand in areas such as the Absecon Inlet, the Great Egg Harbor Inlet, Lakes Bay, and Absecon Bay. These storm generated shoals created hazardous conditions for operators of boats and left marinas filled with sand reducing berthing capacity. One such marina was the city owned Gardner's Basin marina. The marina was choked with sand as a result of Superstorm Sandy, leaving many of the boat slips unusable. The marina slips were fully occupied prior to Superstorm Sandy. In response to this damage caused by Superstorm Sandy, Gardner's Basin marina was dredged, and its full operation has been restored and the marina is now safe for the use of the boating public.

Inspections of the back bay bulkheads after Superstorm Sandy indicated that many of the bulkheads had been damaged and several of the check valves were damaged by the storm. There are over a hundred outlets discharging into the back-bay waters. These outfalls typically protrude from the bulkhead at the end of public streets. The majority of the exposed pipes are typically 12" to 15" in diameter and constructed of either ductile iron or cast iron. These outfall pipes service localized drainage areas in Chelsea, Ducktown, Bader Field, Venice Park, and the Northeast Inlet sections of the City.

The Lower Chelsea Bulkhead Replacement, Gardener's Basin Park Bulkhead Stabilizing and Dredging, and the South Boulevard Bulkheads projects will respond to these disaster related impacts.

The disaster impact for the public building dry flood proofing project: During Superstorm Sandy, temporary wood panels were set up within City Hall on the first floor, to attempt to provide a barrier to any rising water. A temporary pump was placed within this area in the event any water made it through any conduit or past the barriers into the room where the generators were located. Emergency generators for the operation of the dispatch center for the police department are located on the first floor of City Hall. These generators sit on elevated pads, with access doors for maintenance from the outside (the threshold of the maintenance access doors is below the elevation of the first floor). Regardless of these efforts, this area was still damaged by Superstorm Sandy. A more permanent solution to protect the generators was required. Exterior doors were replaced with watertight doors, and all openings from drainage lines, conduit, etc. were sealed or rerouted to prevent water from entering the generator area. A permanent pump system, set in a sump pit with automatic level controls were installed. These pumps were wired to the emergency generator to provide uninterrupted power. In addition, foundation and/or masonry repairs were made to stop any water from entering through the foundation. Where necessary, removable supplemental dams were placed as a secondary barrier in the area of any miscellaneous openings, and around the generator, as a second level of defense. In response to this damage caused by Superstorm Sandy, dry floodproofing has been completed and this portion of the City building is protected.

The public building dry flood proofing project will respond to these disaster related impacts.

The disaster impact for the Inspection and Replacement of Check Valves along the Bay project: Inspections of the back bay bulkheads after Superstorm Sandy indicated that many of the bulkheads had been damaged and several of the check valves were damaged by the storm. There are over a hundred outlets discharging into the back-bay waters. These outfalls typically protrude from the bulkhead at the end of public streets. The majority of the exposed pipes are typically 12" to 15" in diameter and constructed of either ductile iron or cast iron. These outfall pipes service localized drainage areas in Chelsea, Ducktown, Bader Field, Venice Park, and the Northeast Inlet sections of the City.

Flood control, at its most basic level, consists of either providing the ability to remove excess water from flood-prone areas during storm events or providing adequate storage space for excess water during periods of heavy rain. The first approach uses large pumping stations to evacuate extra water. Another approach uses stormwater pipes to keep water contained until it can be naturally released. As water rises in these structures, many discharge lines that are normally well above the water level can suddenly find themselves deeply submerged. For this reason, it is important to protect discharge lines with reliable backflow prevention (check valves). Due to their exposed location, check valves are prone to storm damage as occurred during Superstorm Sandy. In response to this damage caused by Superstorm Sandy, the back bay check valves were replaced, and the drainage system is once again fully operational.

The Inspection and Replacement of Check Valves along the Bay project will respond to these disaster related impacts.

2.3.4 Community Development, Planning, and Other Needs

2.3.4.1 Zoning and Code Enforcement Needs

The devastation from Sandy left New Jersey's communities in various stages of disrepair. To rebuild, communities must assess and manage a range of recovery activities including demolition, clearance, reconstruction and rehabilitation. The steps in this process, even in the ordinary course can be time consuming and costly. The number of homes and other buildings damaged by Sandy dramatically increased the demand for services performed by local code and zoning officials.

Most property owners have now settled insurance claims and are beginning the process of reconstruction. In hard hit communities, the number of applications for zoning and building permits has put an enormous burden on municipal personnel.

With the first tranche of CDBG-DR funds, the State created a program designed to increase municipalities' capacity to respond to increased demand for building code enforcement services and to enhance the New Jersey Department of Community Affairs' (DCA's) continuing education curriculum for code officials to include training in flood hazard mitigation practices and other storm-related code issues. Immediately after Sandy, state inspectors were dispatched to supplement many local code enforcement offices in the nine most-impacted counties. The State also hired four full-time code officials and fifty part-time code officials to assist in that effort. Approximately twenty-eight state inspectors will remain in at least 11 of those municipalities for the foreseeable future. The State also created a program to allow municipalities to hire additional staff or pay for additional staff hours to cover the increased need for zoning officials. The State allocated $5.2 million to assist in meeting this need.

2.3.4.2 Local Public Services Need

Demand for essential public services provided by local government entities increased substantially following the storm, as local budgets were strained by unanticipated storm-related costs and loss of revenue. Of the 193 unique individual first responder capabilities impacted, 69 fire departments, First Aid stations, EMS squad, police, and sheriff units have long-term rebuilding needs. Public schools which can serve as the backbone of a community were also affected. Of the 241 distinct public boards of education, school districts and/or charter schools initially eligible for FEMA funding post Sandy, 211 of these school systems had damage that required rebuilding funds.

With the first tranche of CDBG-DR funds, the State created a program that made financial assistance available to local government entities in those instances where FEMA Community Disaster Loans (CDLs) were 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/sewer), and education. Demand for this program has been considerable.

Many municipalities and local government agencies have experienced difficulties in meeting the demands and costs for critical public services as a result of the impacts of Superstorm Sandy. CDBG-DR grant awards have been provided to communities and/or boards of education to sustain or expand: public safety services such as fire and police; housing services; and public works such as trash collection. Funds were also provided to pay teacher salaries in school districts that found their student bodies swelling as students who would normally attend a school damaged in the storm were transferred to an undamaged school within the district. Analyses by DCA's Division of Local Government Services show that, particularly for hardest hit communities, this program has been imperative to ensure that resources are available for essential public service needs that still exist after other federal and State resources have been exhausted.

2.3.4.3 Planning Needs

Developing goals and objectives that promote sound revitalization and growth that is sustainable and resilient is essential to achieving long-term recovery. Planning for the future often demands a post-disaster evaluation of community vulnerabilities and an assessment of what must be rectified, both within and across municipal borders. The State has determined that there is still an unmet need for local and regional planning support to assess the issues and opportunities facing storm-damaged communities, and articulate priority actions that will improve public safety and stimulate economic recovery after Sandy. To accomplish that, the State dedicated over $12 million in CDBG-DR funds to the Post Sandy Planning Grant Assistance Program, which supplements the ongoing efforts of storm-impacted local and county governments to rebuild and revitalize. This program was specifically designed to augment and not conflict with other planning initiatives that local governments may be undertaking as a result of Superstorm Sandy. Though the Post-Sandy Planning Grant Program, the State assisted 49 municipalities and three universities to produce 308 municipal plans and 3 university products.

Demand for the Post Sandy Planning Grant Assistance Program was considerable, and continuing to support the planning needs of communities remains a priority for the State. As a recipient of CDBG-DR funds, New Jersey is responsible for providing the funding to support "studies" used to mitigate historic preservation or archeological findings from the environmental review of properties in CDBG-DR funded projects. The funds were pooled to be more efficient. For each single-family property or a property with up to four units receiving CDBG-DR funds listed in or identified as eligible for listing in the National Register, DCA set aside $3,000 for undertakings that may have an adverse effect on an above-ground historic property and $6,000 for undertakings involving ground disturbance that will have an adverse effect on an archaeological historic property. Based on the number of properties that triggered compliance, $950,000 has been set aside from CDBG-Planning to fund five historical projects and one archeological project.

Supporting statewide and regional coordinated planning-related initiatives remains a critical recovery need.

2.4 Leveraged Funds

As described in this section, the State has, and will continue to, 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. CDBG-DR funds will complement, not supplant, these resources. The State also provides technical assistance to ensure that local and county governments exhaust FEMA and other federal funding options prior to providing assistance through CDBR-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.

4.1 Homeowner Assistance Programs

Homeowners suffered great losses to their physical property as a result of Superstorm Sandy. In response, the State has used federal funds to support the repair or replacement of damaged owner-occupied housing and dedicated funding for buyouts in targeted repetitive flood loss areas. The State continues to prioritize the needs of LMI households in its homeowner programs. In addition to assisting homeowners in their recovery efforts, these programs provide stability to communities impacted by the storms and support job growth in the construction industries.

The homeowner assistance programs have also contributed to more sustainable communities. Many homeowners 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 rebuilding programs help homeowners to stay in their homes as well as to rebuild and repair safer and smarter.

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.

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. The State continues to ensure that housing assistance is prioritized and allocated based on financial hardship and disaster-related need, without regard to race or ethnicity, color, religion, sex, handicap, familial status or national origin. Information relating to demographics of impacted communities are utilized to ensure that assistance is accessible and reaches New Jerseyans in need. Demographic information is 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.

In support, the State initially established household assistance centers in each of the nine most impacted counties to assist residents and communities with the recovery programs and the application process. Local Centers have been 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 are 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. As the need decreases, the State is consolidating these centers based on region.

The State likewise affirms its commitment to implementing Section 3 requirements, as applicable, including as applied to jobs, training and contracting opportunities for Section 3 residents and businesses. The State continues to adhere to additional standards and requirements for housing programs identified in its Action Plan (including all amendments).

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

The RREM program provides grant awards to eligible homeowners foractivities necessary to restore their storm-damaged homes, including rehabilitation, reconstruction, elevation and/or other mitigation activities. The program also provides reimbursement for eligible expenses incurred prior to the implementation of this program, to the extent permitted by HUD.[1]

Initially, the State prioritized LMI households as well as homeowners whose homes were substantially damaged. The program was quickly oversubscribed. Given the existing waitlist, the State continued to prioritize LMI households, as well as those whose homes were substantially damaged with the second tranche of funds. The third allocation, as well as subsequent reallocations, has enabled the RREM program to serve the needs of the waitlist. With all eligible applicants being served by the program, the State has also been able to reallocate RREM funds to the Rental Assistance program to provide temporary rental assistance to RREM homeowners and to assist in funding the Blue Acres Buyout Program to offer buyouts to homeowners in flood-prone areas.[2] The State has concluded that the reallocations will not impact the ability to fully serve all eligible RREM grantees or to pay for program delivery costs. The State closely monitors the award amounts and impact on overall LMI benefit, with a goal of allocating up to approximately 50 percent of the overall funding for LMI households.

In total, RREM Program provides $1.3 billion towards rebuilding damaged owner-occupied homes. The program initially set a maximum award of $150,000, 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 initially anticipated that this programwould assist

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[1] The State can reimburse itself and its subrecipients for eligible pre-award costs, as allowed by Federal Register Notice FR-5696-N-01. Further, HUD Notice CPD-13-05 (July 30, 2013) provides additional guidance for reimbursing pre-award costs for eligible expenses incurred by homeowners, business, and other qualifying entities. A reference in the initial Action Plan to the Housing and Community Development Act (HCDA) of 1974 as amended, (Section 18. Reimbursement of disaster recovery expenses), under "Eligibility" was removed by revisions in APA #7 with the publication of the aforementioned notices.

[2] Amendment #18 and 21, respectively.

approximately 6,000 homeowners, though subsequent allocations have increased this estimate, which varies based on several dependent factors. [3]

As of early 2019, RREM has completed approximately 6,300 projects and disbursed more than $900 million to eligible homeowners. Despite the State's progress, some homeowners found it difficult to make meaningful progress in their construction. Applicants faced delays for a variety of reasons including fraudulent contractors and a lack of qualified builders, but most of all, applicants lacked the necessary funding to complete construction. To address the needs of these applicants the State created a "Supplemental Fund" ("Fund") in Amendment #28 to offer applicants additional construction funds to complement the grant award received through the Programs. The award is calculated based on unmet need and carries a five-year residency requirement, which is secured by a subordinate mortgage on the subject property. No monthly principal payments are required upon completion. Rather, the mortgage is forgiven after five-years following the completion of construction. The mortgage burns off or is forgiven at the rate of 20% per year. Upon sale of the subject property prior to completing the five-year residency requirement, the applicant is required to pay back to the State any unforgiven portion of the loan. These additional funds will be available exclusively to RREM and LMI Homeowner's Rebuilding Program applicants who still have an unmet need.

Importantly, this additional financing can be used only toward eligible costs incurred to complete an eligible scope of work under the RREM or LMI Programs; applicants cannot use this funding to enhance or expand their rebuilding plan. The Fund is intended to fill the gap for RREM and LMI Program applicants who have no other means to complete construction. Therefore, homeowners who have not completed construction but who have addressed their funding gap with other government, non-profit or philanthropic funds are not eligible. Homeowners who have completed construction are also not eligible for additional financing through the Fund. The State remains committed to providing the necessary funding for all eligible applicants.

Pathway D

In January 2026, Governor Murphy signed law P.L.2025, c. 319, which reopens the RREM Program to homeowners with unmet needs stemming from Superstorm Sandy. DCA has added a new pathway to the RREM Program to accommodate the new applications. The policy for the new pathway will be available online. There is available budget within the existing program to support these efforts.

Allocation for Activity:

The initial Action Plan allocated $600,000,000 to benefit approximately 6,000 homeowners. The first phase of the program allocated 70% for low and moderate income (LMI) households and 30% for non-LMI households. The second federal allocation, detailed in Amendment #7, designated $390,000,000 with the goal of allocating 50% of this tranche of funding to LMI households.

[3] Action Plan Amendment (APA) #4 allocated $110 million estimated to serve an additional 800 to 1,100 homeowners. While APA #7 revised the estimate to reflect the allocation of $710 million to serve approximately 5,124 homeowners, APA #11 estimated that the $1.1 billion allocation will serve approximately 8,800 people. After reallocations were made in APA #18 and #21, APA #21 further revised the estimate to 7,600 applicants, reflecting the number of applicants being served by the program. Current statistics can be found on the reNewJerseyStronger website.

Amendment #11 allocated $226,543,202 of the final federal tranche to serve the waitlist. The total, with subsequent amendments, is charted below.

- Total: $ 1,334,855,358

RREM PROGRAM ALLOCATION WALK		
ACTION PLAN AMENDMENT	**DATE OF APPROVAL**	**CDBG-DR FUNDING**
Action Plan **Initial Allocation**	April 29th, 2013	$600,000,000
Action Plan Amendment #4	January 8th, 2014	$110,000,000
Action Plan Amendment #7 **Second Allocation**	May 30th, 2014	$390,000,000
Action Plan Amendment #11 **Third Allocation**	April 20th, 2015	$226,543,202
Action Plan Amendment #13	April 20th, 2015	$30,000,000
Action Plan Amendment #18	June 16, 2016	($12,500,000)
Action Plan Amendment #21	June 29th, 2017	($40,358,421)
Action Plan Amendment #28	February 12th, 2019	$46,000,000
Action Plan Amendment #41	December 27, 2021	($1,179,281)
Action Plan Amendment #45	June 30, 2022	($1,179,281)
Action Plan Amendment #53	December 22, 2023	($11,862,820)
Action Plan Amendment #59	January 31, 2025	$53,334
Action Plan Amendment #60	Sept. 29, 2025	($8,614,415)
Action Plan Amendment #62	January 28, 2026	($1,516,184)
Total Program Income Receipted to Program	January 28, 2026	$8,262,023
TOTAL		**$1,334,855,358**

Maximum Award: While the maximum award was initially determined to be $150,000, not inclusive of design and other soft costs, as applicable, the creation of the Supplemental Fund removed the grant cap in Amendment #28, as described above. The RREM Program will also provide up to three months of temporary rental assistance to homeowners who must vacate their home during reconstruction or who must move out because of the nature of their rehabilitation. [4]

Pathway D institutes a maximum award of $100,000 for non-structural repairs and $500,000 for reconstruction. The program in its discretion may make an exception for extraordinary circumstances. The maximum award does not include any temporary rental assistance that may be provided to an applicant.

Eligible Applicants: Homeowners whose primary residencessustained substantial, severe or major damage from Superstorm Sandy. For pathways A, B, and C, t~~T~~heresidence 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 the 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 orless.

The program prioritizes homeowners within the nine most impacted counties as determined by HUD. Prioritiesinclude:

Priority 1: Homes with "substantial damage," as determined by New Jersey floodplain managers, DCA or the RREM contractor, regardless ofzone[5]

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

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

Pathway D will prioritize homeowners with an income less than 80% of AMI that are either: (1) new homeowners of the impacted property (acquired after Superstorm Sandy) or (2) have never applied to RREM prior to Pathway D being made available.

Eligibility Criteria for Pathways A, B, and C:

- 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 distressedcounties;

[4] Action Plan Amendment #7 allowed for the RREM Program to provide temporary relocation assistance to homeowners who must vacate their home during reconstruction or who must move out because of the nature of their rehabilitation. However, the State separately allocated $320 million for mortgage and rental assistance through the Resettlement program, the Sandy Homeowners and Renters Assistance program and, using Social Services Block Grant funds, the Rental Assistance program. Because the Rental Assistance program was designated for this purpose and continues to provide temporary rental assistance for RREM homeowners, this language was removed by revisions in Action Plan Amendment #11 and additional funds were reallocated from RREM to the Rental Assistance program in Action Plan Amendment #18 to serve a continuing need. The activity was added back in APA 64 to allow for rental assistance to be provided for homeowners displaced during construction in Pathway D.

[5] Amendment #8 did not change the definition of substantial damage but expanded the source of documentation for purposes of program efficiency.

- Homeowner must have been registered with FEMA; and
- Homeowner must have a household adjusted gross annual income of $250,000 or less.
- The RREM program will follow the reconstruction and rehabilitation standards noted previously.

Eligibility Criteria for Pathway D

- Home must be owner-occupied as a primary residence as of the date of the application;
- Home must have sustained damage from Superstorm Sandy;
- Home must be single family detached residence;
- Applicants must be a resident in one of New Jersey's twenty-one counties and provide proof of unrepaired damage from Superstorm Sandy;
- Applicants must have a household adjusted gross annual income of $250,000 or less at the time of the application; and
- Prior applicants to the program may be disqualified based on past misuse of federal funds.

Criteria for Selection:

The State prioritizes LMI households and homeowners whose homes were substantially damaged, as long as the need exists.[6]

Under Pathway D, eligible applicants can be from any county in New Jersey; however, the program will document proof of damage to their primary residence as a result of Superstorm Sandy. Applications will be processed on a rolling basis as long as funding remains available and priority will be given to LMI applicants and date-of-storm owners.

Eligibility: Section 105(a)(4); Section 105(a)(8); Section 105(a)(11) ; 24 CFR 570.207(b)(4) and applicable waivers.

National Objective: Low- and moderate-income housing; alleviate slums and blight; urgent need

4.1.2 LMI Homeowners Rebuilding Program

The Low- to Moderate-Income (LMI) Homeowners Rebuilding Program is designed to provide reconstruction, rehabilitation, elevation and mitigation assistance specifically to homeowners of low- to moderate-income who were impacted by Superstorm Sandy and whose damaged primary residence is located in one of the nine most impacted counties, as determined by HUD. This program

[6] Initially, 70% of the first allocation was targeted to LMI households. In details described in the initial Action Plan and expanded by Amendment #1, applicants received in the established initial phase were randomized at the end of the phase to determine their numeric ordering. The ordering then underwent the stated prioritization in a randomized number order until DCA reached the maximum for each bucket, reserving 70% of RREM project funds for LMI applicants. Applications submitted by homeowners whose homes were substantially damaged were processed in the order in which they were received in Phase I 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 also pledged to review the geographic distribution of awardees to ensure a reflective distribution relative to damage levels and consistent with prioritization.

is additionally designed to serve LMI homeowners of Limited English Proficiency and owners of Manufactured Housing Units, as well as those LMI homeowners who did not apply for RREM.

DCA undertook extensive outreach in connection with its homeowner programs in areas impacted by Superstorm Sandy, emphasizing outreach to affected LMI communities. Among other things, during the more than two-month application period for the RREM program, LMI neighborhoods were canvassed with flyers and door hangers in many Sandy-impacted towns, including Atlantic City, Carteret, Jersey City, Keansburg, Little Egg Harbor Township, Long Branch, Union Beach and Wildwood. DCA also advertised the RREM program in newspapers and on radio stations that serve LMI and other communities. In addition, DCA reached out to a diverse group of partner organizations, including the long-term recovery groups in each of the nine most-impacted counties, which assist low- and moderate-income families affected by Superstorm Sandy. DCA also partnered with mayors and local officials to provide recovery information to affected communities, and numerous mobile cabinets also were held in various impacted communities. These are some examples of the considerable outreach prior to and during the more than two- month RREM application period.

The extent of the State's outreach efforts is demonstrated by the fact that the State received more than 15,000 RREM applications of which more than 12,000 satisfied preliminary eligibility criteria. The RREM program heavily weighted funding towards eligible LMI households, with 70 percent of first tranche program funding reserved for LMI households.

The State remains committed to providing assistance to those households with the most limited financial resources and significant rebuilding needs. Given the dedication of RREM recovery resources targeting LMI populations, DCA was able to serve the entire LMI RREM waitlist with second tranche CDBG-DR funds. Despite DCA's extensive outreach efforts with respect to the RREM program, the State wanted to ensure that vulnerable LMI households eligible for RREM assistance are served. To do so, the State, in response to the comments submitted to the Action Plan Amendment as first proposed and in consultation with HUD, allocated $40 million of second tranche CDBG-DR funds to target LMI households that may have been eligible for RREM assistance but did not submit an application during the RREM application period. The allocation establishing the LMI Homeowners Rebuilding Program includes a $10 million initial reserve for eligible applicants who own manufactured housing units/mobile homes.[7]

As with RREM, the program allows for reimbursement for eligible expenses to the extent permitted by HUD. DCA engaged community-based non-profit organizations to disseminate information about this program to ensure that the population the program is intended to serve is aware of the program. Outreach for the program was extensive. The program also follows the reconstruction and rehabilitation standards noted above.

The application period for the program opened in January 2015 and extended to March 20, 2015. Based on the number of applicants deemed preliminarily eligible for the LMI Homeowners Rebuilding Program, additional funds needed to be transferred to the program in Amendment #16 in order to avoid having to create a waitlist. Once all eligible applicants were identified, the State transferred the remaining funds to the Fund for the Restoration of Multi-Family Development in

[7] Amendment #9 clarifies that Manufactured Homes are an eligible housing type under the program. $10 million of the $40 million initially allocated for the program was initially reserved under the approved program for those homeowners occupying manufactured homes as their primary residence at the time of the storm and who meet the program criteria. The clarification is in accordance with the State's Voluntary Compliance Agreement with HUD Fair Housing and Equal Opportunity Office and the Latino Action Network, the NAACP, and Fair Share Housing Center.

Amendment #21 to address the remaining unmet need of multi-family housing caused by Superstorm Sandy. The allocation continues to be adjusted as described below to fit the needs of the program.

An additional allocation was made to the LMI Program in Amendment #28 in order to support additional construction funding through the Supplemental Fund, as described in Section 4.1.1. The State remains committed to funding all eligible applicants.

As needs are identified in other programs, surplus funds are reallocated to programs with an unmet needs. Funds were reallocated in APA 63 to Resilient NJ to fund flood modeling to further the mission of the National Disaster Resilience Competition.

Allocation for Activity:

- Total: $47,052,347

LMI PROGRAM ALLOCATION WALK		
ACTION PLAN AMENDMENT	**DATE OF APPROVAL**	**CDBG-DR FUNDING**
Action Plan Amendment #7 **Second Allocation**	May 30th, 2014	$40,000,000
Action Plan Amendment #16	September 16th, 2015	$29,000,000
Action Plan Amendment #21	June 29th, 2017	($18, 705,242)
Action Plan Amendment #28	February 12th, 2019	$4,000,000
Action Plan Amendment #27	October 18th, 2018	($1,358,483)
Action Plan Amendment #38	November 17th, 2020	($934,958)
Action Plan Amendment #45	June 30th, 2022	($494,503)
Action Plan Amendment #53	December 22, 2023	($2,026,634)
Action Plan Amendment #60	Sept. 29, 2025	($1,632,270)
Action Plan Amendment #63	Proposed	($210,679)
Total Program Income Receipted to Program	Sept. 29, 2025	$56,634
	TOTAL	**$47,052,347**

Maximum Award: While the maximum award was initially determined to be $150,000, not inclusive of design and other soft costs, as applicable, the creation of the Supplemental Fund removed the grant cap in Amendment #28, as described in Section 4.1.1. [8]

Eligible Applicants and Eligibility Criteria:

- Homeowner must qualify as low- to moderate-income;
- Homeowner must have been registered with FEMA;
- Homeowner must not have submitted an application for the RREM program;
- Home must have been owner-occupied at the time of the storm;
- Home must have served as a primary residence for the homeowner;
- Home must have been in one of the nine most-impacted and distressed counties; and
- Home must have sustained damage as a result of Superstorm Sandy of at least $8,000 or had more than one foot of water on the first floor.

Selection Process: At the conclusion of the application period, the applications received were electronically randomized and then prioritized based on damage levels, with the manufactured housing units receiving in order, the reserved $10 million, as long as the need exists during the application period.

Eligibility for CDBG-DR: Section 105(a)(4); Section 105(a)(8); Section 105(a)(11)

National Objective: Low- and moderate-income housing; alleviate slums and blight; urgent need.

4.1.3 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 faced significant financial pressures that, left unaddressed, could make it more likely that they decide to abandon their communities. Many homeowners considering rebuilding were concerned with rising insurance costs. For example, the Biggert-Waters Flood Insurance Reform Act of 2012 (the "Biggert-Waters Act") removed 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. Basedon premiums noted on the FEMA FloodSmart.gov website, a $250,000 home with full coverage, if previously subsidized, could see up to $10,760 in premium increases over a three-year

[8] Action Plan Amendment #7 included a note that the LMI Homeowners Rebuilding Program may also provide temporary relocation assistance to homeowners who must vacate their home during reconstruction or who must move out because of the nature of their rehabilitation. However, with the creation of the Rental Assistance Program, this function became redundant and thus, was never actualized. This language is removed from the Consolidated Action Plan.

period. Additionally, many homeowners with homes that are not "substantially damaged" were still likely to 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 estimated that a $10,000 grant that households could use toward addressing any increases in insurance premiums, in addition to other needs, would 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 was open only to those who have registered with FEMA and have received damage to their homes. As a condition of receiving program funds, applicants committed to continued residence within one of the nine most-impacted counties for a period of at least three consecutive years.

The program has served all eligible applicants, disbursing more than $185 million across more than 18,500 households. Among other things, the Homeowner Resettlement Program along with FEMA Individual Assistance (approximately $190 million), the Working Families Living Expenses Voucher Program, also known as SHRAP (approximately $100 million) and, now, the Rental Assistance Program ($9.5 million) has provided funding to support households paying both a mortgage and rent while displaced by Sandy-related damage or reconstruction. The program has been critical in helping families stay in their communities, preserving the character of storm-impacted neighborhoods, stabilizing the municipal tax base, and helping bring a return to normalcy after Sandy.

DCA has reviewed compliance of Resettlement grant recipients to ensure that they fulfill the three-year residency commitment that was a condition of receiving program funds. As DCA verified compliance, the State transferred funds to other programs in need.

Allocation for Activity:

The initial Action Plan designated $180,000,000 to benefit up to 18,000 owners. The initial phase was allocated 60% for LMI households and 40% for non-LMI households. Subsequently, in Action Plan Amendment #4, $35,000,000 was allocated to benefit existing eligible owners on the waitlist. The total, with subsequent amendments, is charted below.

- <u>Total:</u> $202,753,333

RESETTLEMENT PROGRAM ALLOCATION WALK		
ACTION PLAN AMENDMENT	**DATE OF APPROVAL**	**CDBG-DR FUNDING**
Action Plan **Initial Allocation**	April 29th, 2013	$180,000,000
Action Plan Amendment #4	January 8th, 2014	$35,000,000
Action Plan Amendment #16	September 16th, 2015	($10,000,000)
Action Plan Amendment #27	October 18th, 2018	($1,358,483)

Action Plan Amendment #32	July 18th, 2019	($568,364)
Action Plan Amendment #33	October 11th, 2019	($51,626)
Action Plan Amendment #27	October 18th, 2018	($1,358,483)
Action Plan Amendment #38	November 17th, 2020	($65,042)
Action Plan Amendment #41	December 27, 2021	($78,688)
Action Plan Amendment #45	June 30th, 2022	($27,920)
Action Plan Amendment #49	February 8th, 2023	($2,635)
Action Plan Amendment #53	December 22, 2023	($2.802)
Action Plan Amendment #59	January 31, 2025	($53,334)
	TOTAL	**$202,753,333**

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 ofthe 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; and
- 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) propertydamage 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 theagreement.

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.

Eligibility: Federal Register Notice FR-5696-N-01

National Objective: Low- and moderate-income, urgent need

4.1.4 Blue Acres Buyout Program

Superstorm Sandy substantially affected certain New Jersey communities that repeatedly sustain significant flood losses. Many residents of these communities have expressed a preference for buyouts to allow them to relocate to less flood- prone areas. The decision to pursue a buyout is a difficult, personal choice unique to every household, and the State is committed to an expedited, voluntary buyout process to assist those households that want to relocate.

Buyouts are an important component of the State's holistic approach to smart and resilient housing sector recovery. Buying out flood-prone properties removes people from harm's way. Converting the land to open space creates more open areas that can help absorb flood waters in future storms, making the State more resilient to future weather events. Buyouts may also allow communities to create, or add to, local park lands, or expand wetlands, forests and wildlife management areas.

Buying out flood-prone properties not only reasonably compensates people for moving out of harm's way, but it also results in the conversion of the developed land to open space. And, as an added benefit of reducing the amount of homes in flood-plains, fewer homeowners are required to purchase flood insurance policies through the National Flood Insurance Program (NFIP), leading to reduced flood risk ratings and premiums for entire communities. Recognized by FEMA as a "National Best Practice," the goal of the Blue Acres Buyout Program is to dramatically reduce the risk of future catastrophic flood damage, and to help New Jersey families move out of harm's way.

The Blue Acres Buyout Program is administered by the New Jersey Department of Environmental Protection (DEP). DEP has a long and successful history of voluntary acquisition of real estate for open space, recreation, and natural resource restoration. The Green Acres program has been purchasing land for preservation for over fifty years. For the past two decades, the State, through the Blue Acres Program, has been purchasing flood-prone properties and restoring the natural landscape.

The State continues to make progress in DEP's Blue Acres program by acquiring properties in flood-prone areas to remove residents from harm's way and, through the creation of open space, enhancing natural protections against future severe weather events. Additional coastal flooding has occurred as a result of a number of Nor'easters in coastal areas still recovering from Superstorm Sandy. This has contributed to a continued high level of interest in buyouts on the part of these communities and their residents. The rate of acceptance of buyout offers has increased from 63% in the fall of 2014 to over 75.5% in March 2017, as more homeowners seek to avoid the emotional and financial toll that severe repetitive flooding has taken on their families.

The State continues to evaluate homes located in repetitive flooding communities, as many significantly damaged homes remain. In some neighborhoods, flood-damaged properties have been abandoned by owners as the houses are considered "unsaleable" due to their location. This unfortunate situation has contributed to New Jersey's status a one of the states with continuing high rates of foreclosures. The Blue Acres staff has learned how to successfully work with lenders to facilitate payoff approvals, thus enabling the reduction of these "zombie" properties.

To reduce administrative burden and maximize funding available for buyouts, the program was initially limited to households in pre-defined targeted buyout areas.[9] Amendment #28 allowed the program to expand to include eligible properties impacted by Superstorm Sandy, Tropical Storm Lee, or Hurricane Irene or having an impact exacerbated by one of these storms, in accordance with Federal Register Notice FR-5696-N-01.

Homes will be purchased at 100 percent of their pre-storm fair market value as determined through Blue Acres' established valuation process. Consistent with Federal Register Notice FR-5696-N-01, the State will uniformly apply its valuation methodology. Until a written agreement on the purchase price of the home has been reached, DEP, at its discretion, may decide not to move forward with the purchase of any home being considered for a buyout (as may the homeowner). After properties are acquired, CDBG-DR funds through this program also may be used to conduct demolition and debris removal activities, and other related activities necessary to convert the purchased property to open space.

As State continues to evaluate homes located in repetitive flooding communities, funds were transferred to other programs with remaining need.

Allocation for Activity:

- Total: $77,164,399

BLUE ACRES PROGRAM ALLOCATION WALK		
ACTION PLAN AMENDMENT	**DATE OF APPROVAL**	**CDBG-DR FUNDING**
Action Plan Amendment #7 **Second Allocation**	May 30th, 2014	$100,000,000
Action Plan Amendment #15	May 2nd, 2015	($500,000)[1]
Action Plan Amendment #21	June 29th, 2017	$75,000,000
Action Plan Amendment #28	February 12th, 2019	($7,951,174)
Action Plan Amendment #30	February 12th, 2019	($10,000,000)
Action Plan Amendment #33	October 11th, 2019	$507,750[2]
Action Plan Amendment #35	February 7th, 2020	($20,000,000)

[9] Amendment #9 clarified an intention to extend eligibility to single residential properties and rental properties. Thus "homeowners" was changed to "households."

Action Plan Amendment #44	May 27th, 2022	($9,892,177)
Action Plan Amendment #46	Sept. 22, 2022	($4,800,000)
Action Plan Amendment #48	Dec. 19, 2022	($40,200,000)
Action Plan Amendment #53	Dec. 22, 2023	($5,000,000)
	TOTAL	**$77,164,399**

[1] Non-Substantial Amendment for the Consolidation of Administration Funds into the General Category

[2] Non-Substantial Amendment to Clarify the Recording of Administrative Costs

Maximum Award: Amount set through the Blue Acres valuation process at pre-storm fair market value, and also may include additional funding in the amount of costs for eligible necessary activities as defined by program criteria necessary to purchase property or convert purchased property to open space.

Eligible Applicants: Property owners in a floodway, a flood-prone area or an area that has sustained severe repetitive flood losses in all counties.

Eligibility Criteria:

- Property must be located in the floodplain.
- Property must be in a floodway, flood-prone area or an area that has sustained severe repetitive flood losses.
- Property must have been impacted by Superstorm Sandy, Tropical Storm Lee, or Hurricane Irene or have an impact exacerbated by one of these storms.
- Property must be a one-unit, two-unit, three-unit or four-unit private residence.

Criteria for Selection:

- Property is located in pre-defined targeted buyout area determined by the State.
- Pre-defined targeted buyout area may include LMI households targeted for buyouts.
- Purchase of property will meaningfully enhance resilience against future storms.

Eligibility for CDBG-DR: Section 105(a)(1); Section 105(a)(2); Section 105(a)(4); Section 105(a)(11); Federal Register Notice FR-5696-N-01

National Objective: Low- and moderate-income area and/or limited clientele; alleviate slums and blight; urgent need