

Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

1. Program Description

A. Allocation for Activity

\$1,356,543,202 (includes both direct program and program delivery)

B. Program overview (including intended program goals)

The Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program assists eligible applicants whose homes were damaged by Superstorm Sandy to complete the necessary work to make their homes livable and compliant with flood plain, environmental, and other state and local requirements. The RREM Program is intended to supplement other funds the owner has received to repair or reconstruct the structure. The RREM Program provides a grant to eligible applicants of up to \$150,000. The application period for this program is now closed and no new applications are being accepted.

2. Method of Distribution

A. Eligible Applicants

To be eligible for the program, the homeowner must meet the following requirements:

- At the time of the storm (October 29, 2012) the damaged residence must have been owned and occupied by the applicant as the applicant's primary residence. Second homes, vacation residences, and rental properties are not eligible for RREM Program assistance.
- The applicant must have registered for FEMA assistance prior to May 1, 2013.
- In accordance with the Stafford Act, applicants that previously received disaster recovery assistance after September 14, 1994 are required to obtain and maintain adequate and necessary flood insurance coverage. The State of New Jersey Department of Community Affairs (DCA) will verify prior to executing a grant award that any applicant that has received prior disaster recovery assistance has maintained flood insurance, if required.

- The residence must have sustained damage as a result of Superstorm Sandy with a Full Verified Loss (FVL) of at least \$8,000 or at least one (1) foot of water on the first floor, as determined by FEMA, its sub-agencies, or affiliates. DCA will review both FEMA and Small Business Administration (SBA) data to confirm the minimum level of damage. If data from these sources do not confirm the minimum level of damage, the applicant will be determined ineligible. The applicant will be notified in writing and offered an opportunity to submit acceptable third party documentation as noted below to verify the damage level. This review will follow the process in accordance with the appeals policy. The third party information, that may be submitted as acceptable damage eligibility documentation, includes the following:
 - National Flood Insurance Program (NFIP);
 - Insurance Adjuster Estimate (IAE);
 - Insurance documents demonstrating \$8,000 or greater in damage to the dwelling;
 - Damage Letter from local township demonstrating \$8,000 or greater in damage or at least one (1) foot of water on the first floor; and
 - Documentation from non-profit organization that establish Sandy related damages (structural) at cost of \$8,000 or greater.
- Applicants must have verified total household income that does not exceed \$250,000.

B. Eligible Locations and properties (if applicable)

The damaged residence must be located in one (1) of the nine (9) designated counties: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, or Union.

No RREM funding can be provided to applicants whose homes are located in a Special Flood Hazard Area (100 year flood plain) in municipalities not participating in or suspended from participation in the National Flood Insurance Program including: Alpine, Cliffside Park, Englewood Cliffs, Union City, Freehold Boro, Shrewsbury, and Winfield.

C. Eligible Beneficiaries (if applicable and different than applicants)

Beneficiaries must have owned their home at the time of the storm, and used the home as their primary residence. They must have registered for FEMA and had a loss of at least \$8,000 or at least one (1) foot of water on the first floor.

D. Program targeting (including if there is an LMI preference or it has a residency or nine (9) counties requirement)

Pursuant to the approved Action Plan, all of the funding will be spent in the nine (9) most impacted counties.

E. Summary of How Funds are Distributed and Application process

Recipients of RREM funds will be prioritized based on the following:

- Seventy percent (70%) of funds are reserved for Low-to-Moderate Income (LMI) applicants. Thirty percent (30%) are reserved to non-LMI applicants. Uncapped income limits will be used to determine LMI status, as approved by HUD.
- Once all LMI applicants have been funded who applied to the RREM Program, any non-LMI applicants still waitlisted will be served based on available funding, even if funding these applicants effects the distribution of funds between LMI and non-LMI applicants as described above.

Two priority levels have been established to enable the Program to serve households with the greatest needs:

- Priority 1: Homes with “substantial damage,” as determined by New Jersey floodplain managers or as determined by DCA, regardless of zone; and
- Priority 2: Homes with severe/major damage.

RREM funds can be used for either rehabilitation or reconstruction of damaged dwellings. RREM program managers will make a recommendation for reconstruction or rehabilitation based on the ratio of the cost of repair, including elevation if required, to the cost of the lowest composite price of a standard model house of equal number of bedrooms; including demolition if applicable.

Ratios greater than or equal to seventy-five percent (75%) will result in a reconstruction recommendation, while ratios less than seventy-five percent (75%) will result in a rehabilitation recommendation. Applicants are able to select reconstruction or rehabilitation for a home that has the ratio of a cost to repair to the cost of the lowest composite price standard model home of equal number of bedrooms between fifty percent (50%) and one hundred percent (100%). This will be considered cost reasonable.

Eligible applicants who have received a preliminary award letter may elect to receive a reimbursement payment, less retainage if applicable, (up to the maximum award of

\$150,000) for eligible costs incurred from the date of the storm (October 29, 2012) up to the applicant's date of application.

F. Initial Ineligibility Determination

The DCA Housing Recovery is responsible for the RREM Program eligibility review process. Once an application has been reviewed and deemed ineligible, based on eligibility criteria, an Ineligible Determination Letter will be mailed to the applicant by Certified Mail. The Ineligible Determination Letter will provide information regarding the reason(s) for ineligibility. The applicant is provided an opportunity, should he or she choose, to appeal the ineligible determination within a thirty (30) day period. Instructions on how to appeal the ineligible determination are included within the letter.

G. Appealable Determinations

Appeals are limited to actions or decisions that the individual making the appeal (Petitioner) believes to be in conflict with stated program policies or to be based on contestable facts. Program policies established by DCA are not appealable. The following are examples of decisions subject to administrative appeal:

- FEMA registration determination;
- Minimum damage threshold determination;
- Owner occupied, primary residency determination; and
- Determination of income.

Decisions Not Subject to Appeal (non-contested matters) include, but are not limited to, the following:

- Eligible county determination (program policy requires that applicants live in one (1) of the nine (9) most impacted counties as specified in the Federal Register Notice of March 5, 2013);
- Incomplete or non-existent applications, was appealable only during open appeal period, dated from February 10, 2014 to March 31, 2014;
- The terms and conditions of any required legal agreement such as the Grant Agreement, Escrow Agreement, Promissory Note, and the like;
- Determination of Pre-Storm Value of the damaged residence may not be appealed to the program, but homeowners may appeal the determination to the local taxation authority;
- Requirements imposed by federal, state, or local law or regulation;
- Decisions of a local Flood Plain Manager may not be appealed to the Housing Advisor, but may be appealed directly to the Flood Plain Manager;

- Environmental determination;
- If the municipality of the damaged residence opted out of flood insurance, the applicant does not qualify for any program;
- Determination of award amount; and
- Determination of Duplication of Benefits.

H. Appeals Submission Process

Appeal requests to the DCA Sandy Recovery Division must be postmarked within thirty (30) calendar days of the date of Ineligible Determination Letter. Information about the appeal process is available at: <http://www.renewjerseystronger.org/appeal>. Information can be also received by calling the Housing Assistance Hotline at 1-855-726-3946. Appeals must be submitted in writing to:

ReNewJersey Stronger Appeals
 P.O. Box 32128
 Newark, New Jersey, 07102

The applicant’s written request should contain the following information:

- Applicant’s name;
- Address of damaged residence;
- Applicant's mailing address;
- Applicant’s telephone number;
- Email address (if available);
- The reason(s) the decision or action is being appealed; and
- Documentation that supports the request to overturn the decision or action, and Application number (RRE#).

Appeals will be received and processed by the DCA Operations staff. Appeals will be date stamped when received and placed on a log for tracking. The DCA Operations staff will submit the written notice of appeal to the DCA Office of Compliance and Monitoring within twenty (20) calendar days of receipt.

I. DCA Appeals Review

Upon receipt of written notice of an appeal from an applicant, the DCA Office of Compliance and Monitoring will conduct a review of the file and appeal documentation. The appeal review will be conducted by a three (3) member panel where decisions are rendered by a majority vote. Applicant appeals are reviewed against the RREM Program policies, requirements and applicable federal, state, and local laws. During this process, if

appropriate, the DCA Compliance and Monitoring staff may contact the applicant to allow him/her to provide additional documents to address any deficiency or incomplete information, or to be interviewed to determine the merits of the applicant's appeal.

In those cases where an applicant provides additional documentation that supports his or her appeal, the DCA Office of Compliance and Monitoring staff will overturn the initial ineligibility determination and notify DCA Housing Program staff with corrective action steps, to move applicant file forward.

In those cases, where the DCA Office of Compliance and Monitoring staff determines that the initial ineligible decision should stand, an appeals worksheet and documentation is completed with member panel decision. The applicant will be notified of the decision in writing, by certified mail, within fifty (50) days of receipt of applicant's request for an appeal. This letter will provide next step instructions on how to file a formal appeal petition to the Office of Administrative Law (OAL).

J. Appeals to the Office of Administrative Law (OAL)

In contested cases, the decision of the Sandy Recovery Division may be appealed by submitting a petition for a formal hearing before the OAL within thirty (30) days of the date of the denial letter.

The written request must be addressed to:

Department of Community Affairs, Appeals Officer
Sandy Recovery Division, Appeals Unit
101 South Broad Street, P.O. Box 823
Trenton, NJ 08625-0823

The thirty (30) day appeal period begins five (5) days from the date of mailing (the date on the letter) not the date of receipt. If an appeal is forwarded to the OAL, a formal hearing before an Administrative Law Judge (ALJ) may be held. If a hearing is held, the ALJ will issue an initial decision within forty-five (45) days of the hearing or when the record closes, for review by the DCA Commissioner. Throughout this process, an applicant may be provided the opportunity to withdraw his or her appeal petition, up to and including during OAL formal hearing. Upon such time, the applicant's withdrawal from the OAL formal hearing and final ineligible determination are documented.

K. Final Decision

In the contested cases, the DCA Commissioner will review the ALJ's Initial Decision and issue a final decision, accepting, modifying, or rejecting the ALJ's initial decision. The OAL decision and the final decision will both be sent to the petitioner at the address provided. If the applicant is not satisfied with the Commissioner's final decision, the applicant may appeal the final decision to the New Jersey Superior Court, Appellate Division at the information provided below:

Richard J. Hughes Justice Complex

P.O. Box 006

Trenton, NJ 08625-0006

Telephone: 609-292-4822

Website: www.judiciary.state.nj.us/appdiv/forms/10837_appl_prose_kit.pdf

For more information regarding the RREM Program Appeals Process, please click on link: Office of Administrative Law (OAL) Appeals on webpage:

<http://www.renewjerseystronger.org/homeowners/rrem/appeals-withdrawals/>