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Christie Administration Submits Plan To Federal Government For Use Of Second Round Sandy Recovery Funds

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Plan Proposes Allocation of an Additional \$1.46 Billion To Address Unmet Housing Needs, Infrastructure Resiliency Projects and Other Critical Recovery Initiatives

Trenton, NJ – The Christie Administration today announced that it has submitted its proposed plan for allocating the second round of Community Development Block Grant (CDBG) Disaster Recovery funds to the U.S. Department of Housing and Urban Development (HUD) for review and approval. The plan details how the state will spend \$1.46 billion in federal CDBG Disaster Recovery funds to rebuild Sandy-damaged homes and rental housing; support the hardest hit and financially strained communities; purchase flood-prone homes; and finance infrastructure resiliency projects throughout New Jersey to protect the state from future storms. The Christie Administration submitted the plan to HUD on March 25.

"In the eleven months since our Action Plan was approved by the Obama Administration, we have made tremendous progress in helping New Jerseyans recover from the worst natural disaster in our state's history," said Governor Christie. "Without a doubt, we still have much to do. Families are still out of their homes and many communities remain in need of assistance. I thank HUD Secretary Shaun Donovan for his assurance of a quick review so that we can continue getting relief out to the many people who were devastated by Superstorm Sandy."

In developing a plan for allocating the second round of CDBG Disaster Relief funds, the Christie Administration undertook extensive public outreach efforts. The Administration met with mayors and other local officials across the nine most-impacted counties as determined by HUD; held numerous meetings and conference calls with nearly 100 stakeholder groups and long-term recovery organizations focused on how to best use the second round of CDBG Disaster Recovery funds; engaged the Association of Counties, League of Municipalities, and the Conference of Mayors; and briefed key state legislative staff and staff of New Jersey's congressional delegation.

Additionally, the state held a 30-day public comment period during which comments were submitted by email and U.S. mail. The state also hosted three public hearings in February - one each in the state's southern, central and northern regions - in order to give residents the opportunity to provide public comment. Hundreds of public comments from residents, local and state elected officials, long-term recovery groups and other stakeholder organizations were received. The proposed plan submitted to HUD includes a summary of all public comments received and the state's responses to the comments. The state has modified the proposed plan, as initially proposed for public comment, based on the input provided and in consultation with HUD.

HUD has up to 60 days to approve the proposed plan. Given the timeline for federal approval, the state expects to receive access to the funds for relief programs by late spring.

Because the state's housing needs remain substantial, the Christie Administration is proposing to spend \$775 million of second round CDBG Disaster Recovery funds to support Sandy-impacted homeowners and renters. The plan also proposes a \$500 million investment in infrastructure in recognition of the fact that Sandy's storm surge and flooding highlighted vulnerabilities in the state's transportation, energy, flood prevention and water infrastructure systems.

"We've heard the comments from affected residents and stakeholder representatives, and we understand their frustration with the pace of the recovery effort. Notwithstanding the limited federal funds, the state is working quickly to expedite the process, where possible, and to get families and communities back to normal," said New Jersey Department of Community Affairs (DCA) Commissioner Richard E. Constable III, whose department administers the distribution of CDBG Disaster Recovery funds for the state. "The \$1.46 billion in additional federal funding is another step in the right direction."

For the second allocation, the Christie Administration is proposing to spend \$775 million on housing assistance programs, of which \$490 million is projected to assist low-to-moderate-income families. The plan calls for:

\$390 million for the Reconstruction, Rehabilitation, Elevation & Mitigation (RREM) Program, which is the state's largest Sandy housing recovery initiative. The funding would be added to the \$710 million provided in the first round. To date, more than 5,400 Sandy-impacted homeowners have been preliminarily awarded a RREM grant. The additional funding would enable approximately 3,000 eligible homeowners to move off of the program's waitlist and begin the grant process.

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

\$100 million for the New Jersey Blue Acres Buyout Program to purchase flood-prone homes that will move people out of harm's way and create natural systems to absorb flood waters from future storms. To date, more than 420 properties statewide have been approved for acquisition.

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

\$25 million for the Sandy Special Needs Housing Fund to help develop permanent supportive affordable housing for special needs populations. The funding would be added to the \$25 million provided to the program in the first allocation. To date, funding has been committed to 15 projects to create affordable housing opportunities for more than 190 residents with special needs.

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

Additionally, the proposed plan would commit \$500 million to the following infrastructure programs:

\$200 million for the New Jersey Energy Resilience Bank to fund projects that would ensure a highly reliable power supply to critical public facilities such as water and wastewater treatment plants, hospitals, shelters, emergency response centers and transit networks in the event the larger electrical grid fails.

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

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

Finally, the state is proposing to continue to encourage economic development and to support hard hit, financially strained municipalities:

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

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

\$10 million for planning initiatives, including funding for the Post Sandy Planning Assistance Grant Program to help Sandy-impacted local governments plan their rebuilding efforts to promote resilience and encourage economic growth. The funding would be added to the \$5 million provided to the program in the initial allocation. To date, the state has received requests for Post-Sandy Planning Assistance Grants from local governments for \$4.7 million.

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

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

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

DCA will make the second round Action Plan available in English and Spanish on the DCA's website in early April upon completion of the Spanish translation.

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