



5 Misconceptions About Sandy Funding

Setting the Record Straight On Five Common Misconceptions About How Sandy Funding Is Distributed

CLAIM: Low And Moderate Income Residents And Renters Have Not Been Given Enough Priority.

THE FACTS: Over Two-Thirds Of Housing Funding Out The Door Or In the Pipeline So Far Has Gone To Low And Moderate Income Families.

- ***71.6 percent*** of housing funding out the door or in the pipeline has been awarded to low and moderate income (LMI) families. These families are defined as those with income less than 80 percent of an area's median income.
 - *Every single eligible LMI applicant to the Resettlement program, which provides a \$10,000 grant to help Sandy-impacted families offset costs during rebuilding, received an award.*
- The Christie Administration plans to use half of the \$1.463 billion in second round CDBG-DR funding – \$735 million – to help homeowners and renters repair and rebuild with a continued emphasis on low and moderate income families.
 - \$245 million of this funding will be made available specifically for affordable housing programs through rental assistance and special needs assistance programs.

CLAIM: The Administration Has Not Reached Out To Low And Moderate-Income Residents To Inform Them About Available Funding.

THE FACTS: There Has Been Significant Outreach To Low And Moderate-Income Families Impacted By Sandy.

- The Department of Community Affairs (DCA) walked door to door in low and moderate-income neighborhoods affected by Sandy in north, central and south Jersey.
- The agency posted flyers and left door hangers at homes and community centers in such Sandy-impacted towns as Atlantic City, Little Egg Harbor Township, Union Beach and Keansburg.
- During the program's two-month application period, DCA heavily advertised the RREM and Resettlement programs in newspapers and on radio stations, including minority and Spanish-language outlets that reach low- and moderate-income households.
- DCA also reached out to organizations that assist low and moderate-income families such as food banks, Catholic Charities, the Arc groups, United Way, Legal Services of New Jersey, and the Salvation Army among many others.
- The Christie Administration has consistently coordinated with mayors and community leaders to ensure that their constituents know about the programs available to them.

This outreach led to more than 7,300 LMI households applying for and receiving a Resettlement grant and nearly 3,700 LMI households applying for and preliminarily approved for a RREM grant.

CLAIM: The Christie Administration Is Using Sandy-Related Funding To Build Affordable Housing Projects In Areas Without Need.

THE FACTS: Affordable Rental Housing Projects Have Been Approved Across The Nine Most-Impacted Counties In Accordance With New Jersey's Community Development Block Grant Action Plan As Approved By The Obama Administration.

- These projects, selected through a transparent application process, will rapidly increase the supply of affordable housing stock in the nine most impacted counties. The housing will benefit low-to-moderate income renters while ensuring that funds are spent within two years, a federal reconstruction requirement.
- The New Jersey Housing and Mortgage Finance Agency scores and ranks applications to the Sandy large multi-family housing program using the same system it has utilized for decades in financing affordable housing developments. The HMFA board selects projects during open public meetings where every project is debated and voted on.
- Projects must be "shovel-ready" so construction can begin quickly and the two-year spend down requirement can be satisfied. Developers with "shovel-ready" projects need to proactively apply for these Sandy recovery funds.

The State projects that, with the first round of CDBG funds, the Sandy large multi-family housing program will create approximately 2,500 units of affordable housing. Across all Sandy-related renter and affordable housing programs, the State anticipates that approximately 7,000 new affordable housing units statewide will be created over the next two years.

CLAIM: An Individual's Race Is a Factor In the Application Process.

THE FACTS: Race And Ethnicity Are Not Considered In The Grant Awards Process. DCA Staff Members Who Evaluate Applications And Determine Eligibility Have No Visibility Into An Applicant's Race.

- *Department Of Community Affairs Commissioner Richard Constable: "To be absolutely clear, eligibility and qualification for the housing recovery programs were approved by the Obama Administration, are objectively based, and do not take race or ethnicity into account in any way whatsoever."*

CLAIM: The Distribution Of Recovery Funding Has Lacked Sufficient Oversight.

THE FACTS: The Christie Administration Has Taken Aggressive Action To Ensure Proper Accountability And Transparency With The Obama Administration Saying They Are "Confident" In Sandy Oversight.

- Governor Christie signed Executive Order 125 which requires that all state-level recovery and rebuilding contracts and procurements must be pre-approved by the State Comptroller. It also puts Accountability Officers in every state department dealing with Sandy aid.
 - All Sandy-related contracts are available for public review on the State Comptroller's website: www.nj.gov/comptroller/sandytransparency/
- The Obama Administration, through the Department of Housing & Urban Development, has continually monitored and reviewed Sandy-related contracts, programs and expenditures since funding was first made available to New Jersey.
 - DCA is required to submit quarterly reports to HUD to show how it is spending Sandy Recovery dollars, which are available on DCA's website: www.state.nj.us/dca/divisions/sandyrecovery/action/
 - Sandy funding has consistently been coordinated with relevant federal agencies including HUD, FEMA, the Departments of Transportation and Health & Human Services, the Army Corps of Engineers and EPA.
- The Christie Administration has worked to implement the bipartisan integrity monitor legislation passed by the legislature. The selection of monitors has been done in an open, competitively-bid, and fully transparent manner.

Obama HUD Secretary Shaun Donovan: "So, what I will tell you is, could it be going faster? Yes. Are we doing everything we can to cut red tape? Absolutely. But I am confident that we are monitoring this money closely." (MSNBC's "All In," 1/29/14)