



# The State of Sandy Recovery

Fixing What Went Wrong with New Jersey's Sandy  
Programs to Build a Fair and Transparent  
Recovery for Everyone

January 2014

Fair Share Housing Center • Housing and Community  
Development Network of New Jersey • Latino Action  
Network • NAACP New Jersey State Conference

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Cover Photo: Ironbound neighborhood of Newark after Sandy, Photo Credit:  
Ironbound Community Corporation.

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Housing Center, [adamgordon@fairsharehousing.org](mailto:adamgordon@fairsharehousing.org).

# Introduction

"I am concerned. People come to me and tell me, 'I have not gotten access to [money].'"

- U.S. Senator Robert Menendez

"It's more than a year after the storm happened, but the impact of Sandy is still very prevalent. Government has failed to help the residents, and in some cases government has made things worse for the victims of Sandy."

- John Ducey, Mayor, Brick Township

"It's like no one cares. I just want to come home."

- Janet Rosero, displaced resident, Ironbound section of Newark

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It has now been over 15 months since Superstorm Sandy devastated communities throughout New Jersey, from Moonachie in Bergen County to Ocean City in Cape May County. For too many people in New Jersey, it is still as if Sandy happened yesterday. With tens of thousands of renters and homeowners still displaced and wondering if they will ever be able to move home, many people are asking: 'Couldn't New Jersey be doing better?'

The answer is emphatically yes. This report suggests changes for the next \$1.4 billion in federal funds, expected soon, that will provide a fairer, more transparent, and more effective Sandy recovery.

According to documents and information that have recently become available, mainly as a result of Fair Share Housing Center's four-month long legal battle with the Christie Administration for access to basic public records, there are many ways in which the use of billions in federal recovery dollars by the State of New Jersey has fallen short. Consider, for example:

- The program guidelines for the largest rebuilding program, RREM, were not adopted until five months after the program started, leading to a chaotic process in which program requirements constantly shifted. Those guidelines are still not available to the public from the State.
- African-Americans were rejected from major rebuilding programs at rates 2.5 times those of white applicants, and Latinos at rates 50% more than non-Latino white applicants, with no clear explanation.

- People reading the Spanish language version of the State's Sandy website were given incorrect information, and the Christie Administration has refused to provide a plan to make people given misinformation whole.
- The major program intended to provide immediate relief to renters distributed 40 times as much funding to Essex County as Ocean County – even though Ocean County had about 30 times as much damage to renters as Essex County.

These are just a few examples of how New Jersey's Sandy recovery has been far off the mark.

This report recommends a course correction at a critical time: when the State is about to release, for public comment, its Action Plan Amendment Draft for the spending of \$1.4 billion in additional federal funds. The allocation of these funds provides a singular opportunity – for many people impacted by Sandy perhaps the last opportunity – to get this recovery on track and help people rebuild. This report describes program and policy changes that will make the recovery stronger, fairer, and more transparent.

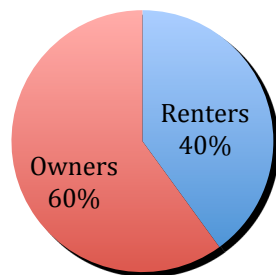
The report focuses on three critical areas: fair funding for both renters and homeowners impacted by Sandy, a fair distribution of funds to all communities impacted by Sandy, and a transparent process with clear guidelines for distribution of funds. These changes would help thousands of people rebuild and help end the constant uncertainty hanging over so many people's lives.

We welcome feedback on this report and further ideas for improvement. You can send them to [stillstuckwiththestorm@fairsharehousing.org](mailto:stillstuckwiththestorm@fairsharehousing.org). We hope that the Christie Administration and all of the public officials working to rebuild New Jersey will use these recommendations to help make Sandy recovery better.

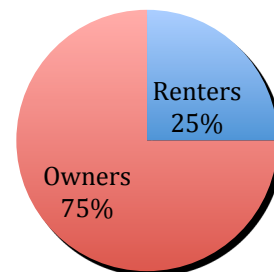
# 1. Fair Funding for Both Renters and Homeowners Impacted by Sandy

**The problem: the Christie Administration has consistently under-funded renters impacted by Sandy. As a result, a greater share of renters than homeowners remain displaced post-Sandy, largely impacting African-Americans and Latinos and lower income people. And for both renters and homeowners, far more, and far better targeted, funding is needed to rebuild.**

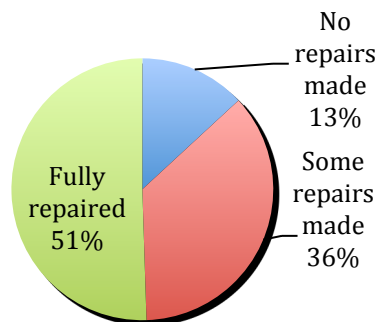
**Share of homes impacted by Sandy**



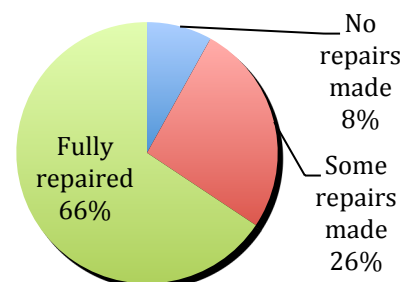
**Share of NJ Sandy housing funding**



**Repair of damaged rental homes**



**Repair of damaged homeowner homes**



% of Sandy-impacted renters by race/ethnicity and income

Latino	25%
African-American	23%
Asian-American	8%
HH Income below \$30,000	67%

% of Sandy-impacted homeowners by race/ethnicity and income

Latino	8%
African-American	8%
Asian-American	7%
HH Income below \$30,000	28%



**Linda Steele, President of the Atlantic City NAACP, on the problems renters displaced from Atlantic City face in getting rebuilding funds:**

“There has been a lot of frustration going through the process. The process for renters was hinged on the owners’ participation. The resources seemed to be very limited. The program was a rote program not flexible enough to address the people right on the edge - there was no feedback or assistance.

You’re dealing with a low income community that is used to being displaced. At this point many have left the area, or moved to areas that were undesirable to them or they didn’t want to be in. Other renters have stayed in housing that is mold-infested – the places probably need to be inspected, but nobody wanted to say anything because they didn’t want to be displaced.”

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**How to make recovery work: distribute resources to both renters and owners in proportion to storm damage, and with greater flexibility to meet both renters and owners immediate and long-term needs. The State should:**

- Dedicate a significant amount of future funding to additional resources for both renters and homeowners, based on a rigorous and unbiased analysis of remaining unmet needs.
- Direct at least 40% of all housing funds to renters, building on programs that have worked relatively well such as the Fund for Restoration of Multifamily Housing and also developing new programs to replace what hasn’t worked.
- Develop programs to meet renters’ immediate needs – similar to the Resettlement program which provides a flexible \$10,000 grant for homeowners’ immediate needs and/or similar to housing vouchers. These programs should work with existing organizations that are working with under-housed and homeless renters, instead of starting from scratch.
- Ensure that all programs provide both renters and homeowners appropriate, and appropriately funded, housing counseling from experienced, preferably HUD certified providers, given that the State’s ReNJ Stronger Centers provide assistance to only homeowners.
- Target all programs in a way that prioritizes the most impacted areas, consistent with fair housing principles, including a prohibition against displacing people from their communities by not funding rebuilding in certain areas. However, people impacted by Sandy who truly want to move due to concerns about future storms or for other reasons should have the opportunity to do so.

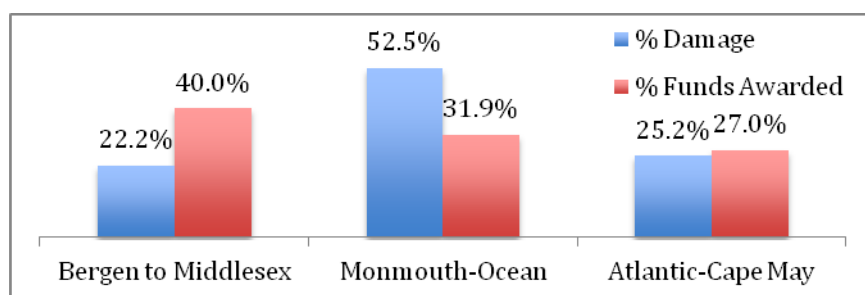
## 2. Ensuring All Communities Hit By Sandy Have Fair Access to Rebuilding Funds

**The problem: there are significant geographic, racial, and ethnic disparities in where funds have been awarded when compared with damage from Sandy**

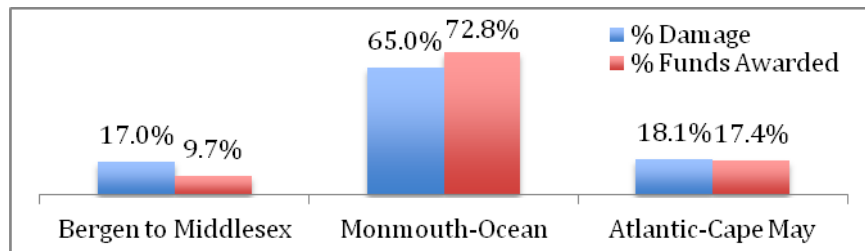
### **Geographic Disparities in Funding:**

**Renters in Monmouth and Ocean Counties and Homeowners in North Jersey Are Getting Significantly Fewer Funds than Their Share of Damage**

Rental rebuilding: Damage vs. Funds Awarded



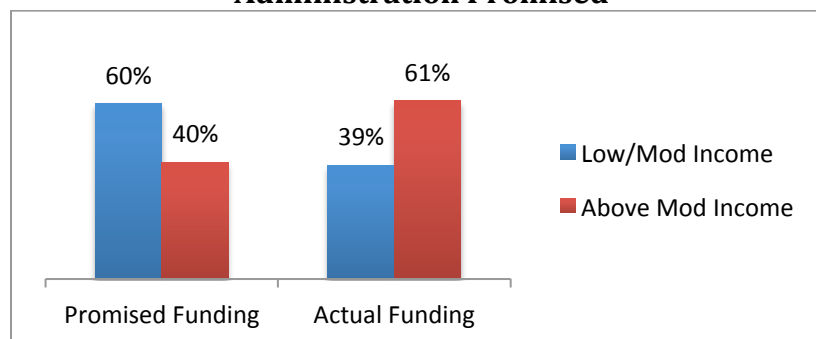
Homeowner rebuilding: Damage vs. Funds Awarded



(Bergen to Middlesex also includes Essex, Hudson, and Union Counties)

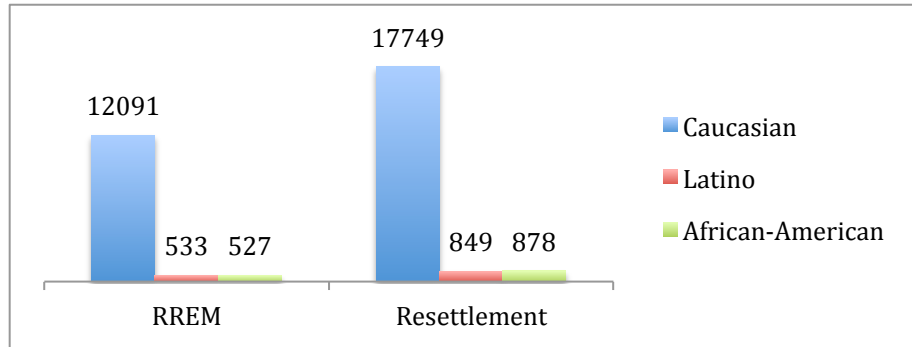
### **Income Disparities in Funding:**

**The Most Flexible Program for Homeowners, the Resettlement Program, is Allocating Far Less to Low and Moderate Income Families than Christie Administration Promised**

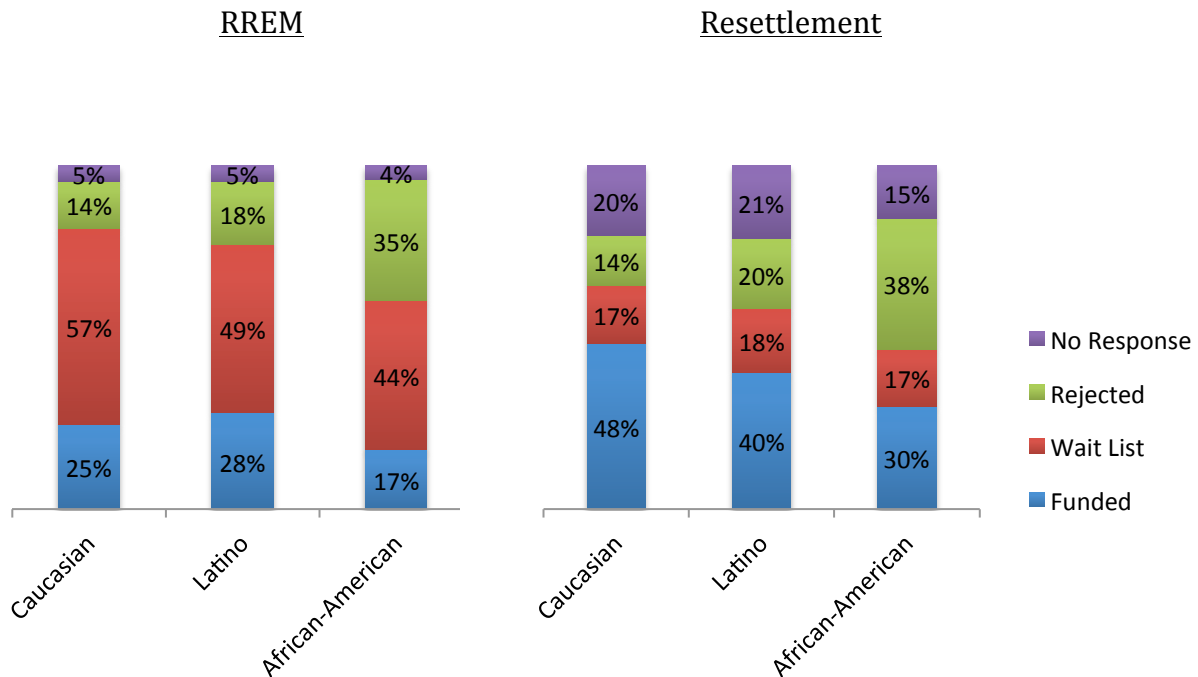


**Racial/Ethnic Disparities in Homeowner Funds:**  
**Few Latinos and African-Americans have applied; outreach was poor and the Spanish language website had incorrect information on deadlines, locations, and appeals. And of the few African-Americans and Latinos who have applied, significantly higher shares have been rejected.**

Total number of applicants, RREM and Resettlement



% of Applicants Funded, Rejected, Waitlisted By Race/Ethnicity





**Janet Rosero, homeowner in the Ironbound section of Newark, on how she has been unable to access funds from the State of New Jersey to rebuild:**



“One day at 7:00 at night I had everything, and at 7:20 I lost it all. The insurance company helped little. What else can I tell you? I was in the street, out of my home paying rent while I still paid my mortgage.

I'm still waiting for the Governor to help me. You know, I wrote a personal letter to Governor Christie and just like I am still waiting to receive any aid for my house, I am still waiting to receive a response to that letter.”

**How to make recovery work: distribute resources for both renters and homeowners in proportion to damage by community, with all communities and racial and ethnic groups treated fairly. The State should:**

- Distribute all funds by county and municipality proportional to damage. For the second tranche of funding, the State should create a “catch up” priority for underserved communities for both renters and owners from the first tranche to get served first. It should include both suburban and urban communities in proportion to the damage in those communities (roughly two-thirds of housing damage for renters, and eighty percent of housing damage for homeowners, is in suburban communities, with roughly one-third for renters and twenty percent for homeowners in urban communities).
- Distribute infrastructure funding only to communities that allow and facilitate rebuilding (and if needed, replacing) homes for both renters and homeowners.
- Investigate, together with HUD, why the numbers of African-American and Latino applicants were so low and the rejection rates were so high and so many low-income residents were left out. The State should provide better outreach with community organizations, paid advertising in media serving underserved communities, and take any other steps needed to remedy this.
- Set aside additional funding for those reading Spanish who were disadvantaged in the first round of funding and thus missed deadlines or opportunities to appeal.

### 3. A Fully Transparent Recovery

**The problem: the Christie Administration has administered its programs in a haphazard manner, providing no or incorrect information on key program guidelines**

- Official guidelines for the Renovation, Reconstruction, Elevation, and Mitigation program were not adopted until five months after the program started, and even then were not made available to the public.
- Call center employees were told to hang up on callers even if other people were not waiting, rather than help them figure out rebuilding information. Recovery centers frequently lost applications or gave misleading information on what information was needed – e.g. it was unclear to many applicants how to get floodplain manager letters, an arcane document that even many government officials did not understand, required for RREM.
- An appeals process was poorly publicized and has not adhered to promised deadlines.
- Non-profit and for-profit developers and public housing authorities seeking to rebuild apartments have been given confusing and conflicting information about programs – such as being told that to get funding for one program, they had to attend a mandatory meeting with less than 24 hours notice.
- Local contractors have had problems navigating the process to secure work on rebuilding – meaning many of the jobs are going to out-of-state firms.

STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS


SUBJECT: Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) Program Policies & Procedures

NUMBER: 2.10.36

EFFECTIVE: October 22, 2013  
REVISED:

SANDY CDBG-DR

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APPROVAL   
Stacy Bonaffons  
Assistant Commissioner

  
Howard McCoach  
Director, Sandy Recovery Division



**Lee Ann Newland, Neptune, NJ, who is still trying to get help to rebuild her home almost a year and a half after Sandy, on how hard it is to get relief:**

"Throughout the past ten months, while working full time as teachers my husband and I have spent the better part of our free time on the phone, writing letters, filing applications, filing appeals and generally being frustrated with all of the above. We followed the direction of the people who were "in charge" of the many agencies and institutions we were introduced to,

and directed towards in an attempt to clean up and return to our home. Our files, which include one copy of each application, appeal, letter, response, follow up, etc weighs over ten pounds."

"The recent TV ad campaign depicting life at the shore as back to normal is highly disturbing. Life is not normal, and every night there are new stories on the news of the forgotten residents and townships that dot the NJ coastline. Our home remains uninhabitable, and no further help is on the horizon. We are exhausted and frustrated and feel let down, mostly by our flood insurer as well as the false hope provided by the agencies working for the State of New Jersey."

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**Recommendations for funding going forward: transparency at every step of the process. The State should:**

- Provide a clear, step by step, process of how funds have been allocated at all points to date and will be allocated in the future that complies with the Notice, due process, and the federal Fair Housing Act;
- Provide a definitive pathway to grant approval, including a complete list of all documents required, for every program administered by the state, and provide an opportunity to correct issues such as floodplain manager letters where the State provided misinformation before;
- Provide a "one stop shop" online tracking system also accessible via telephone or walk in, with access for people reading Spanish and people with disabilities, that allows every applicant to quickly check on the status of their application and what else is needed to provide funding, and learn about all funding programs;
- Provide clear and fair standards for funding those in manufactured housing,
- Commit to a clear, predictable, and transparent appeals process, in which people are given clear and specific reasons for any denial of assistance or other appealable determinations and a clear process and timeframe for appeals;
- Provide to anyone on the wait list: an explanation of the wait list process, a statement of their location on the wait list, and a process for receiving updated information on the wait list;
- Provide clear guidelines and processes for local contractors to get recovery work consistent with Section 3 of the Housing and Urban Development Act of 1968.
- Set aside additional funding for people impacted in the prior round by any of the distribution, process and/or transparency deficiencies described above.

## Conclusion

We hope the Christie Administration uses these suggestions to help improve future Sandy funding – and we hope the United States Department of Housing and Urban Development will ensure that all future funding is spent in a fair and transparent manner. As Bruce Springsteen said, “nobody wins unless everybody wins” – our state will not truly be stronger than the storm until everyone has a fair chance to rebuild their lives and homes.

## Data Sources

Renter/Homeowner section:

- Share of homes impacted by Sandy: NYU Furman Center for Real Estate and Urban Policy analysis of FEMA data, April 2013
- Share of NJ Sandy housing funding: April 29, 2013 State of New Jersey Action Plan; share also reflects changes in Action Plan Amendment #4.
- Repair statistics: Enterprise Community Partners, “Hurricane Sandy: Housing Needs One Year Later,” October 2013.
- Race/ethnicity and income data: Enterprise Community Partners, “FEMA Assistance Analysis,” March 2013.

Geographic and racial/ethnic allocation section:

- Geographic information from New Jersey Recovery Dashboard as of 12/31/13.
- Income information from New Jersey Recovery Dashboard as of 1/7/13.
- Racial and ethnic information from documents obtained through Fair Share Housing Center v. Department of Community Affairs litigation, November 2013.

Transparency section:

- Documents referenced obtained through Fair Share Housing Center v. Department of Community Affairs litigation, October/November 2013.

Please contact Adam Gordon, [adamgordon@fairsharehousing.org](mailto:adamgordon@fairsharehousing.org) or 856-665-5444, with any questions regarding data; much of this information is also available at <http://fairsharehousing.org/blog/entry/all-data-and-information-on-sandy-recovery-programs-received-from-the-state/>