



MEMORANDUM

TO: Members of the Board
FROM: Timothy J. Lizura, President/Chief Operating Officer
DATE: September 18, 2013
RE: Seaside Disaster Assistance

Request:

To authorize up to \$5 million of the Stronger NJ Neighborhood and Community Revitalization Program funds for the demolition and clearance of damaged structures in the communities impacted by Superstorm Sandy on October 29, 2012 and now experiencing exacerbated impact caused by the fire on September 12, 2013.

Background:

Seaside Park and Seaside Heights are located in Ocean County, New Jersey and were among the most devastated by Superstorm Sandy on October 29, 2012, including substantial impacts to homes, businesses and public facilities. On September 12, 2013 these communities were hit with another massive disaster in the course of their recovery. A fast-moving fire destroyed 50 businesses, the boardwalk and other public infrastructure. The extensive damage to the remaining structures created a dangerous health and safety hazard which must be immediately addressed. The unsafe conditions and the additional business losses caused by this fire have greatly exacerbated the impacts from Sandy and the towns of Seaside Heights and Park have asked for State assistance to respond to the devastating fire.

The EDA will use existing CDBG-DR resources and programs to revitalize and rebuild the vital business districts most directly affected by this fire in both Seaside Heights and Seaside Park. The ratable base provided by these downtown and boardwalk businesses sustains these towns. Without those businesses, the residents will be faced with reduced services, tax increases or both. Without the CDBG-DR assistance and in the wake of these exacerbating circumstances, full, post-storm recovery may be impossible for these communities.

To address the exigency of this situation, the Board is requested to approve:

- Grants of up to \$5 million to Seaside Heights and Seaside Park from the Stronger NJ Neighborhood and Community Revitalization Program, as Recreation, Cultural and Park Land Amenities projects, to be utilized for demolition and debris removal of the damaged structures, which are eligible uses under the Program; as well as authorization to the CEO to approve applications that are consistent with the program guidelines for such assistance and to execute sub-recipient agreements with Seaside Heights and Seaside Park in order for each to undertake procurement and contracting for the work. For the demolition to the private structures, the state and/or municipality will place a lien on the property to enable recapture of any duplicative insurance proceeds, should they be paid later;
- To the extent allowable under the CDBG-DR program, the \$5 million may also be used for mitigation efforts and the rebuilding of the demolished boardwalk; and
- An exception that will allow the CEO to accept and advance the application without regard to the previously approved priority application period afforded to Low-Moderate Income criteria applicants.

In addition, small businesses previously impacted by the Superstorm and located within the impacted areas of these municipalities will also be encouraged to apply for Stronger NJ Business grants and loans to rebuild and re-open. In some cases, this CDBG-DR assistance may be new for the business and in some cases it may be an increase in the level of existing assistance. With 50 businesses impacted, we would expect to advance approximately \$10 mm of funding to these businesses under the grant and loan programs. All requirements of the Stronger NJ Business programs will remain in effect and consistent with HUD regulations for these projects.

- All projects will meet the relevant Stronger NJ Business program criteria, which include CDBG-DR eligibility criteria, national objective, duplication of benefit and cross-cutting federal requirements, including environmental review.
- DCA may prepare a non-substantial amendment to its plan to further clarify these activities.

Once the demolition and clearance of debris is complete, DCA and EDA will work with the municipalities and local businesses to plan and implement the full Superstorm Sandy recovery, inclusive of post-fire redevelopment.

Recommendation:

To authorize an amount not to exceed \$5 million in Stronger NJ Neighborhood and Community Revitalization program assistance for Seaside Heights and Seaside Park; and to authorize the CEO to approve applications and execute a sub-recipient with the impacted municipalities, subject to review by the Division of Law and the Department of Community Affairs.



Prepared by: Maureen Hassett