

SENATE COMMUNITY AND URBAN AFFAIRS COMMITTEE

STATEMENT TO

SENATE CONCURRENT RESOLUTION No. 111

STATE OF NEW JERSEY

DATED: MAY 27, 2020

The Senate Community and Urban Affairs Committee reports favorably Senate Concurrent Resolution No. 111.

This resolution urges the United States President and Congress to enact legislation forgiving community disaster loans issued after Superstorm Sandy.

New Jersey has faced several economic upheavals in recent years, from Superstorm Sandy in 2012 to the current COVID-19 pandemic. These natural disasters have had a profound and devastating impact on the economy of the State and its residents, with many still struggling financially as a result of Superstorm Sandy to this day. The COVID-19 pandemic has caused, and will continue to cause, increasing uncertainty and economic disruptions throughout the State, which is the second highest impact area in the United States for the novel coronavirus.

Recently, the Federal Emergency Management Agency (FEMA) has begun to press New Jersey municipalities to start repaying the loans passed out to help the State recover post-Superstorm Sandy. This mandatory repayment would have a devastating effect throughout the State, as these demands come at a time when the State, like many across the United States, is struggling to fight COVID-19. The payments on the community disaster loans were originally assured to be allowed to be paid back over time and slowly, with the possibility of forgiveness. Furthermore, New Jersey residents who were granted loans under the “Small Business Act,” which was passed to aid, counsel, assist and protect the interests of small businesses through the creation of small business loans, now face the possibility that they may be precluded from receiving further disaster relief aid during the COVID-19 pandemic since any new grant issuances may be counted as a duplicate benefit. The duplication of benefit policy was partially abolished by the Department of Housing and Urban Development in February 2018 under the “Bipartisan Budget Act of 2018” and should be extended to funds received following disasters dating to 2011, including Superstorm Sandy.

Rep. Chris Smith reintroduced H.R. 6454 on April 3, 2020, which mandates forgiveness of certain community disaster loans secured by New Jersey municipalities from FEMA to help with Superstorm Sandy recovery. The bill also addresses the lingering

duplication of benefit problem by removing the receipt of small business loans as a disqualifier for people who sought or received federal money to help them recover in the wake of Superstorm Sandy. The passage of H.R. 6454 would have a profound impact throughout the State in helping stabilize the economy and would provide much needed support to the citizens of the State in the fight against COVID-19.