Discussion Points

1. Established in 1974 and managed by the Federal Emergency Management Agency (FEMA), the Community Disaster Loan (CDL) program provides loans to local governments that are having difficulty providing government services because of a loss of taxes or other revenues following a disaster. Pub.L.113-2, the "Disaster Relief Appropriations Act, 2013" appropriated $300 million for the cost of direct loans to local governments throughout the United States affected by disasters.

FEMA has set the interest rates for all CDL program loans at the rate for five-year maturities determined by the Secretary of the Treasury on the date of the promissory note. FEMA may consider requests for extensions of loans based on the financial condition of the local unit. The maximum loan amount is the *lesser* of: 1) 25% of the applicant's operating budget for the fiscal year of the disaster (or 50% of the operating budget if the revenue loss totals at least 75% of the applicant's operating budget); OR 2) the cumulative estimated revenue loss for the fiscal year of the disaster and the subsequent three fiscal years, plus any estimated unreimbursed disaster-related expenditures. Counties, municipalities, fire districts, and local authorities were permitted to apply for a Community Disaster Loan.

In a series of Local Finance Notices issued January-March 2013, the Division of Local Government Services (DLGS) advised local units of the existence of the CDL program and encouraged all local governments experiencing or projected to experience revenue losses greater than 5% of annual collections due to the impact Hurricane Sandy to apply for federal assistance through the CDL program. In response to a Fiscal Year 2015 OLS Discussion Point, the DLGS stated that 60 loan applications were forwarded to the Governor's Authorized Representative. FEMA provided technical assistance to all interested local governments and assisted in the preparation of loan applications. The CDL application submitted by Atlantic County had recently been forwarded to the Governor's Authorized Representative and was pending review.

The most recent Community Disaster Loan Status Summary show that as of August 28, 2018, 60 loan applications submitted by New Jersey local units had been reviewed and approved. Approximately $174 million had been obligated and $93.5 million had been drawn down.

- ***Question:*** **Please provide an updated list of all local units that were awarded a federal Community Disaster Loan, and the amount awarded. How much has been disbursed to each local unit? Does the department anticipate that each local unit will need to draw down the full amount of its Community Disaster Loan? What progress have Community Disaster Loan recipients made in recovering any revenues lost due to the impact of Hurricane Sandy?**

See the FEMA document entitled "NJ CDL Program Status Updates as of April 9, 2015 (Attachment A) for a 1) complete list of each New Jersey local government entity and school district that was awarded a Community Disaster Loan by FEMA in 2013 as a result of Superstorm Sandy, with the amount awarded to each; and 2) the loan amount drawn down by each Community Disaster Loan (CDL) recipient to date. FEMA updates this document weekly.

Discussion Points (Cont'd)

The Department does not anticipate that every local unit will need to draw down the full amount of its loan. In fact, the Department anticipates that some loan recipients will not draw any portion of the authorized loan. Each local entity is required to analyze the need for additional funds based upon criteria established by FEMA. FEMA will examine each request for additional loan proceeds via an updated revenue analysis to determine the reasonableness of the request.

CDL recipients are generally making progress in recovering revenues lost as a result of Superstorm Sandy. Those CDL recipients whose revenues are primarily based on property taxes experienced and continue to experience a swell of tax appeals that inhibit revenue recovery. However, as homeowners rebuild and the value of their property returns to or even exceeds their pre-Superstorm Sandy assessed value; the revenue outlook will significantly improve. Ratable data provided by the county Boards of Taxation for municipalities with Community Disaster Loans, the removal of storm codes ('H' codes) by the Division of Taxation from heavily damaged properties, and information reported by CDL recipient municipalities support that forecast. For example, Toms River Township has recovered $1 billion in ratables to date. Brick Township, Manasquan, and Union Beach collectively have recovered $97 million in ratables.

For those CDL recipients that need additional funds to ameliorate substantial Sandy-related revenue losses, remaining CDL balances may be sufficient to continue funding critical services in 2015 (or FY2016 in the case of school districts) and lessen the overall Sandy-related revenue impact on the community. Where Loan recipients either have exhausted their Community Disaster Loans or will exhaust their loan balances in their CY2015 budgets (or FY2016 budgets in the case of school districts), the Department has made available a third round of the CDBG-DR Essential Services Grant Program.

Discussion Points (Cont'd)

2. New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan allocated $145 million from the State's first two allocations of CDBG-DR funds for the Essential Services Grant Program. The Essential Services Grant Program provides financial assistance to local government entities where Community Disaster Loans are either unable or insufficient to fund the continuation of essential public services, such as police and fire protection, health and welfare, (including public works, garbage collection, and health and social services), planning and permitting services, and education-related services. Grant awards can also be utilized toward reimbursing costs related to a shared service agreement involving the delivery of essential services. Of the total amount allocated in the first two rounds of CDBG-DR funding, 21 local units requested approximately $127.9 million; 14 local units have been awarded approximately $87.8 million.

On January 9, 2015, the Division of Local Government Services (DLGS) announced the availability of a third round of Essential Services Grant funding in Local Finance Notice No. 2015-1. The third round of funding is open to municipalities, counties, school districts, and authorities (including fire districts) that received and will have exhausted Community Disaster Loans by the end of Calendar Year 2015 or Fiscal Year 2016; and demonstrate Calendar Year 2015 or Fiscal Year 2016 financial hardship directly attributable to Hurricane Sandy such that the local government will be unable to provide essential services. Municipalities, counties, and authorities that intended to apply for a third round Essential Services Grant were required to notify the DLGS of their intent to apply no later than February 6, 2015. A draft budget must be submitted with the "Notice of Intent to Apply." Applicants must submit a certified copy of their introduced budget, a 2014 Annual Financial Statement, and the grant application by March 31, 2015.

In order to be considered for an Essential Services Grant, applicants are required to: (1) exhaust any Community Disaster Loan balance by the conclusion of Calendar Year 2015/Fiscal Year 2016; (2) seek all available funds that could obviate the need for an Essential Services Grant; (3) demonstrate that Hurricane Sandy's impact on revenues and/or expenditures is the cause of the local government or school district's inability to support the cost of essential services; (4) discuss what steps are being taken to contain cost prior to submitting an Essential Services Grant request; (5) explain which essential services would not be provided if a grant is not approved and which essential services would be continued with the receipt of grant; (6) explain the local unit's efforts to identify opportunities to share capital assets or services with neighboring communities; and (7) discuss what actions are being undertaken to facilitate the appropriate and timely reconstruction or public and private property, including efforts to enhance preparedness for future storms.

According to the Local Finance Notice, awards will only be made where the DLGS determines funds are needed to pay for essential services that cannot otherwise be provided absent an award of funds. Grants will be conditioned on recipients implementing or making good faith efforts to implement cost controls. These conditions may include, but are not limited to personnel cost restraints; implementation of best practices identified in the Best Practices Questionnaire, compliance with recommendations or reports issued by the State Comptroller; and implementation of, or reasonable efforts to implement shared services identified either by the applicant or the DLGS. The third round of Essential Services Grants will be supported by approximately $57.1 million allocated from the first two rounds of CDBG-DR funding.

Discussion Points (Cont'd)

- ***Question:*** **Please list the local units that have submitted an application for a third round Essential Services Grant. When will grant awards be announced? Please identify each instance where the awarding of an Essential Services Grant has resulted in the consolidation of local units, or the sharing of capital assets or services, and the assets or services shared. Will additional funding be made available if the total amount of Essential Services Grant funding is insufficient to provide assistance to eligible applicants?**

The applicants for the third round Essential Services Grant Program are:

Ocean County
Atlantic City (Atlantic)
Brick Township (Ocean)
Downe Township (Cumberland)
Highlands Borough (Monmouth)
Keansburg Borough (Monmouth)
Lavallette Borough (Ocean)
Moonachie Borough (Bergen)
Sea Bright Borough (Monmouth)
Seaside Heights Borough (Ocean)
Toms River Township (Ocean)
Union Beach Borough (Monmouth)
Central Regional School District (Ocean)
Seaside Heights School District (Ocean)
Toms River Regional School District (Ocean)

The Department expects grant awards to be announced in June 2015. The amount sought from all grant applications totals approximately $51.5 million. Ratable and revenue recovery for Essential Services grantees is expected to continue through 2015 into 2016. Some of the hardest-hit communities (e.g. Toms River, Keansburg, Sea Bright and Highlands) will continue to require some level of assistance in 2016 to compensate for the continued impact of Superstorm Sandy on the ratable base.

While the Department cannot specifically condition the award of an Essential Services Grant on the consolidation of local units, or the sharing of capital assets or services, the Division of Local Government Services carefully reviews the measures taken by applicants to control costs and share services when determining the award amount. Applications require the identification of all measures being taken or proposed to be taken to control costs, including sharing services and capital assets.

Discussion Points (Cont'd)

3. Many federal programs that support New Jersey's recovery efforts required a non-federal cost share, also known as a "match" or "local share obligation." The match portion of the project is the total cost of a project or program that must be satisfied by the State, local government, or entity benefitting from the project or program. The "Housing and Community Development of 1974," (Pub.L.93-383) and federal regulations provide that Community Development Block Grant – Disaster Recovery (CDBG-DR funds) may be used "...as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity." To that end, the State allocated $50 million from the first tranche of CDBG-DR funding for the "FEMA Match for Public Assistance Program" or "FEMA Match Program." The FEMA Match program provides funding support to State and local governmental entities that received FEMA Public Assistance or are responsible for a cost-share required for a FEMA-funded recovery project. These funds were used to address non-federal cost shares associated with projects undertaken in the immediate aftermath of Hurricane Sandy.

New Jersey dedicated an additional $200 million from the second tranche of CDBG-DR funds for "State and Local Non-Federal Cost Shares" to support State and local matching obligations for projects associated with long-term recovery efforts. According to Action Plan Amendment No. 7, which outlines that allocation of the second round of CDBG-DR funds, the State looked at existing recovery commitments that require a match and other federal funding (provided by the Army Corps of Engineers, Environmental Protection Agency, Federal Highway Administration, and FEMA) reasonably expected to be used in the State's recovery that will require a match. The amendment noted that State's analysis included estimates of unmet needs that may understate or overstate New Jersey's actual non-federal cost share needs as the recovery progresses. It is also acknowledged that the State will not be able to cover all cost shares incurred by local governments and other entities that received federal funding and other match obligations.

The State may use CDBG-DR funds as a match to repair or construct a wide range of eligible infrastructure projects, including: emergency protective measures (demolition and the removal of health and safety hazards); roads and bridges; dams, reservoirs, and levees, debris removal; public buildings, water treatment plants and delivery systems, power generation and distribution facilities; sewerage collection systems and treatment plants; water lines and systems; telecommunication systems; and parks, beaches, and recreational facilities. There is no maximum award limit and the applicant is required to show that the Public Assistance project or other recovery program requires a cost share that may be covered by CDBG-DR. According to the CDBG-DR Performance Report for the fourth quarter of 2014, the State has disbursed more than $22 million through the FEMA Match Program. Action Plan Amendment No. 13 authorizes the transfer of $25 million from the FEMA Match Program to the Rehabilitation, Reconstruction, Elevation, and Mitigation (RREM) program so that the State can serve households on the RREM waitlist.

- ***Question:*** **Please provide updated information regarding the total amount of CDBG-DR funds expended through the FEMA Match Program. Please identify each entity for which CDBG-DR funds have been used to cover federal cost share requirements. Does the department anticipate that the entire initial allocation of CDBG-DR funds for the FEMA Match Program will be expended? What amount does the department anticipate will be expended for this purposes in Fiscal Year 2016?**

Discussion Points (Cont'd)

To date, the State has expended $23,809,350 to match FEMA funding. The payments are made through OMB.

Fifty-one (51) Project Worksheets for FEMA Public Assistance Category A&B (Debris Removal and Emergency Protective Measures) have been paid. Reimbursements for Categories C through G (Permanent Work/Infrastructure repairs) are currently under review.

CDBG-DR Match by State Agency	
Agency	**# of PWs**
Children and Families	2
Community Affairs	1
Corrections	1
Environmental Protection	14
Human Services	6
Labor	1
Military Affairs	3
Transportation	13
Treasury	3
Motor Vehicle Commission	2
NJ Juvenile Justice Commission	2
NJ Office of Homeland Security and Preparedness	1
State Police	2
TOTAL	**51**

Through Action Plan Amendment #7, the FEMA Match Program was incorporated into the broader Non-Federal Cost-Share (Match) Program. The $225 million program was designed to provide the required State match and includes an allocation to NJDOT to address the cost share associated with Sandy recovery projects funded by the Federal Highway Administration, including the ongoing repairs to Route 35, and an allocation to the New Jersey Environmental Infrastructure Trust to address the 20 percent non-federal cost share of funding received from the Environmental Protection Agency to enhance the resiliency of water and wastewater treatment facilities damaged by Sandy. We anticipate that the full program budget will be utilized in meeting the State match requirements.

We project that the State will require $60-$75 million in FY2016 for the CDBG-DR Non-Federal Cost Share (Match) program. Of course, this depends upon how quickly the participating agencies and federal partners complete the projects and submit invoices for payment.

- ***Question:*** **When does the department anticipate that information regarding the State and Local Non-Federal Cost Shares element will be made available to eligible applicants? If the application period has already closed, please identify each entity which has submitted an application for assistance, the amount requested, and the federal program for which the cost share is required. By what process will the State determine which cost share obligations will be supported through the State and Local Non-Federal Cost Shares element of the FEMA Match Program? When does the State**

Discussion Points (Cont'd)

expect to notify eligible applicants of funding awards? What amount doest the State anticipate will be expended for this purpose in Fiscal Year 2016?

OMB submitted an application to DCA on behalf of all State agencies to provide the FEMA Public Assistance Match. Government entities can continue to move forward with CDBG-DR eligible FEMA Public Assistance projects and may take advantage of the match program at any time if funds are still available after the State's obligation is satisfied. DEP will use an estimated $48 million as the Non-Federal Match for US EPA Agency Water/Wastewater Program projects. The application period for that program closed on March 6, 2015. DEP is currently reviewing applications from municipalities, authorities and commissions for their water and wastewater projects. The award announcements for where CDBG-DR match funds are included are anticipated by June. It is anticipated that $72 million will be spent in FY2016 on Non-Federal Match.

Discussion Points (Cont'd)

4a. The Fiscal Year 2016 budget recommendation for Transitional Aid to Localities is $107.4 million, a decline of $14.2 million, or 11.6%, from the Fiscal Year 2015 adjusted appropriation of $121.5 million. Information available through the Division of Local Government Services website and published news reports indicate that in Fiscal Year 2015, 12 municipalities have been awarded $115.560 million in Transitional Aid. Those municipalities are: Asbury Park City, Atlantic City, Beverly City, Camden City, Harrison Town, Kearny Town, Newark City, Nutley Borough, Paterson City, Penns Grove Borough, Trenton City, and Union City.

Since Fiscal Year 2012, budget language has permitted the Director of the Division of Local Government Services to transfer a portion of a municipality's Transitional Aid from the prior fiscal year to its allocation of Consolidated Municipal Property Tax Relief Aid for the next fiscal year. During the Fiscal Year 2012 budget process, the department notes that this authority allows the director the flexibility to provide increased formula aid to municipalities, that despite having received large amounts of discretionary aid for a long period of time, and having implemented cost reductions or local revenue options, continue to have large structural imbalances. Seven municipalities now receive a portion of their Transitional Aid funding as CMPTRA in the following amounts: Asbury Park City ($6 million), Camden City ($52 million) Chesilhurst Borough ($150,000), Harrison Town ($1.5 million), Lawnside Borough ($550,000), Maurice River Township ($265,000), and Newark City ($10 million).

According to the Calendar Year 2015/Fiscal Year 2016 Certification of State Aid, released by the DLGS on February 26, 2015, the following municipalities would be permitted to receive a portion of their Fiscal Year 2015 Transitional Aid to Localities Award as CMPTRA in Fiscal Year 2016: Atlantic City ($10 million), Beverly City ($280,000), Camden City ($2.5 million), Penns Grove Borough ($590,000), and Trenton City ($4.860 million). These amounts would be in addition to any Transitional Aid transferred to CMPTRA in previous fiscal years. Any municipality that receives either all or a portion of its Transitional Aid as CMPTRA is permitted to apply for additional State financial assistance. Because of these shifts, the Fiscal Year 2016 spending level for Transitional Aid to Localities is in effect an increase of $4.1 million above Fiscal Year 2015.

According to Local Finance Notice No. 2015-4, calendar municipalities were required to notify the DLGS of their intent to apply for Transitional Aid no later than February 17, 2015; applications are due March 16, 2015. Applicants are required to meet minimum eligibility criteria and explain the circumstances in their municipality that have resulted in a need for Transitional Aid. Municipalities are required to transmit information about their financial practices, and provide substantial information including organizational charts, debt service schedules, and salary and wage data for individual employees. Transitional Aid recipients must submit to a rigorous program of oversight, including broad State controls over hiring, procurement, and other matters.

- ***Question:*** **Please identify each municipality that has notified the Division of its intent to apply for the Calendar Year 2015 round of Transitional Aid to Localities and the amount of funding that each has requested. Is an effective increase in Transitional Aid recommended because the department anticipates higher awards to current recipients, an increase in the number of recipients, or both? Have any municipalities**

Discussion Points (Cont'd)

> **that received Transitional Aid in Calendar Year 2014 been granted early termination of their Memorandum of Understanding?**

The following municipalities have applied for CY2015 Transitional Aid (TA) to Localities:

- Asbury Park - $1,955,000
- Atlantic City - TBD
- Harrison - $1,950,000
- Kearny - $2,125,000
- Newark - TBD
- Penns Grove - $1,170,000
- Salem City - $300,000

Applications are currently being reviewed and no decisions have yet been made.

The City of Beverly was granted an early termination of its Memorandum of Understanding and is not applying for Transitional Aid to Localities in 2015. This is due to Beverly's demonstrable efforts toward achieving budgetary stability.

Discussion Points (Cont'd)

4b. The Fiscal Year 2015 Appropriations Act included a new language provision to permit the allocation of Transitional Aid to local government units that are experiencing financial distress caused by the destruction or loss of a "major local business ratable," defined as one or more related parcels of property owned by a single business entity, classified as commercial or industrial, which comprised the largest assessed valuation of any one or more line items of taxable property in a municipality, or generated an annual payment in-lieu of taxes in excess of 10% of the total municipal levy, or is otherwise determined by the Director to be of such significance to a municipality that its destruction or loss has resulted in financial distress.

In its response to a Fiscal Year 2015 OLS Discussion Point, the department stated, "Any municipality that is experiencing financial distress due to the permanent loss of a major business ratable that is at least 10% of their ratable base will be permitted to apply pursuant to the references language." The department noted that the DLGS intended to review tax ratable information and work individually with municipalities that fall into this category. The application process for local units of governments seeking Transitional Aid under these circumstances had not yet been determined.

- ***Question:*** **Which local units of government experienced fiscal distress due to the loss or destruction of a major business ratable in 2014? Please identify each local unit of government that applied for Transitional Aid to Localities, and the amount of funding requested in Fiscal Year 2015 due to the loss or destruction of a major business ratable. Please identify each local unit of government that received Transitional Aid to Localities due to the loss or destruction of a major business ratable in 2014. What additional criteria, assumptions, and projections did the Division use when evaluating Transitional Aid applications submitted by local units experiencing fiscal distress due to the loss or destruction of significant tax ratables?**

In FY2014, the Division of Local Government Services determined that any municipality experiencing fiscal distress due to the permanent loss of a major business ratable that equaled or exceeded 10% of its ratable base would be permitted to apply for Transitional Aid.

Subsequent to the departure of pharmaceutical giant Hoffman-La Roche, the Township of Nutley received $2,750,153 in aid last year.

Nutley's situation met the requirements for funding as outlined above however Nutley was otherwise in sound financial condition and there was no need for full State oversight as a condition of applying for aid.

The ratable loss has accelerated as a result of continuing demolition and clearance of the site.

Discussion Points (Cont'd)

5. The Fiscal Year 2015 Appropriations Act authorized $8.5 million for Consolidation Implementation Aid. According the Fiscal Year 2015 *Budget Summary* these funds would be used to reimburse local governments that have consolidated or entered into a shared services arrangement, and an unspecified portion of these funds will assist the Camden County Police Department. Budget language provides that Consolidation Implementation Aid may be allocated to assist local government units that consolidate pursuant to any law, including section 25 of P.L.2007, c.63, the "Uniform Shared Services and Consolidation Act," the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) or existing laws regarding municipal annexation (see N.J.S.40A:7-1 et seq.). Funding must be for non-recurring costs that either the Director of the Division of Local Government Services, or for school districts, the Commissioner of Education, determines are necessary to implement the consolidation or annexation.

According to the New Jersey Comprehensive Financial System, $4.7 million has been expended, $2.0 million is encumbered, and $400,000 remains uncommitted. $1.4 million in Consolidation Implementation Aid is scheduled to lapse to the Property Tax Relief Fund at the end of Fiscal Year 2015. Information available through NJFCS indicates that funds have been paid to Camden County, Gloucester County, and the South Hunterdon Regional School District. The department also noted, "Program implementation is under development." The Fiscal Year 2016 Budget recommends $4.0 million for Consolidation Implementation Aid, a reduction of 53% from the Fiscal Year 2015 adjusted appropriation.

- ***Question:*** **Which local units, in addition to Camden County and Gloucester County, applied for Consolidation Implementation Aid in Fiscal Year 2015? In what amounts? What percentage of total non-recurring implementation costs does each funding allocation represent? If the department intends to provide ongoing support for current recipients, what new non-recurring costs have they incurred? What amount of aid will be provided to Camden County in Fiscal Year 2016? Will this aid be confined to non-recurring costs or will it provide an ongoing subsidy?**

Camden County, Gloucester County and the South Hunterdon School District are the only local units that applied for Consolidation Implementation Aid in FY2015. Camden County received $1 million in October, 2014 (an additional $2 million has been encumbered in this account); Gloucester County received $3.7 million in September, 2014; and the South Hunterdon Regional School District received $98,859 in March, 2015. Typically, 20% of non-recurring implementation costs are reimbursed, but Gloucester is an exception. Gloucester County implemented the County Tax Assessor PILOT program in 2010 pursuant to PL 2009, c. 118. The statute calls for the State to reimburse the county costs for revaluations over a period of three years through either the "SHARE" program or budget language.

The "SHARE" program no longer exists and there is no other funding mechanism in the State budget. As a result, the county sought reimbursement of $11.472 million under the Consolidation Implementation Aid program.

In September, 2014, Gloucester was awarded $3.7 million from the fund and was directed to request additional funds over the next two years with the submission of its annual budget. In March of this year, Gloucester County submitted its budget with anticipated revenue of

Discussion Points (Cont'd)

$3.7 million, although there has not yet been a formal request for the funding. This cost is recurring only in the respect that the reimbursement would not be complete until the remaining two installments are paid.

No other consolidations are anticipated to be completed within the next fiscal year. There is currently only one active Municipal Consolidation Study Commission - Roxbury Township and the Borough of Mount Arlington. This Commission began meeting in April of this year and intends to meet monthly. The process is such that there is little to no possibility that a consolidation, even if recommended by the Commission and ultimately approved by the voters, would be implemented in FY2016. As a result, there would be no immediate need for funding for this effort.

Discussion Points (Cont'd)

6. The Local Unit Alignment, Reorganization, and Consolidation Commission (LUARCC) was established under P.L.2007, c.54 (C.52:27D-501 et seq.) to study and report on the structure and functions of county and municipal government, including local taxing districts, their statutory bases, the fiscal relationship between local governments, and the appropriate allocation of service delivery responsibilities from the standpoint of efficiency. LUARCC is charged to recommend legislative changes which would encourage the more efficient operation of local government, including the structural and administrative streamlining of county and municipal government functions, including, but not limited to, the transfer of functions from one level of government to another, and the use or establishment of regional service delivery entities. LUARCC is also charged to consider optimal service levels, ratios of employees to population served, cost structures for service delivery, and other best practices. Based on its findings, LUARCC is required to develop criteria to serve as the basis for recommending the consolidation of specific municipalities, the merger of specific existing autonomous agencies to the parent municipal or county government, or the sharing of services between municipalities or between municipalities and other public entities.

According to LUARCC's website, the commission has not met since December 2010. It is unclear whether any meetings took place in 2012, 2013 and 2014 and whether any meetings are scheduled for 2015. From information available through the LUARCC website, it appears that the most recent publication of the commission was completed in August 2010. Although section 7 of P.L.2007, c.54 (C.52:27D-507) requires LUARCC to submit an annual report summarizing its activities over the prior year to the Governor and the Legislature, no annual reports have been transmitted. LUARCC is also required to submit a study of the transfer of the municipal tax assessment function, authorized by the "Property Tax Assessment Reform Act," P.L.2009, c.118 (C.54:1-86 et seq.) through the appointment of a county assessor and deputy county assessors in Gloucester County by February 1, 2016.

- ***Question:*** **What is the status of the Local Unit Alignment, Reorganization, and Consolidation Commission? Did LUARCC meet in 2012, 2013, and 2014? Are any meetings scheduled for 2015? If not, why not? Has the commission begun to study the impact of the "Property Tax Assessment Reform Act"? Does the commission anticipate that its report will be completed by the statutory deadline of February 1, 2016? If not, why not?**

The department received a $95,000 supplementation appropriation for LUARCC in FY 2007. In FY2009, budget language authorized $500,000 from the Consolidation Fund to support the Commission. LUARCC funding was exhausted in FY2011. Absent any appropriation, there is no funding to support the activities and, as a result, the Commission has not met.

Discussion Points (Cont'd)

7. Since 2011, the State has taken an expanded role in monitoring the finances of the City of Newark. The Division of Local Government Services (DLGS) initially increased its oversight under the terms of a Memorandum of Understanding signed as a condition of the receipt of $32 million in State aid. In response to a Fiscal Year 2013 OLS Discussion Point on this matter, the department indicated it had assigned two employees with municipal finance and management experience to serve as Newark's fiscal monitors. The fiscal monitors were exploring a "responsible way" to restructure Newark's water and sewer operations and were engaging in a cooperative effort to enhance Newark's revenue collection efforts. That oversight continued through December 31, 2012. In 2013 and 2014, Newark's annual budget was subject to the standard review process required by the "Local Budget Law," (N.J.S.40A:4-1 et seq.).

During the Fiscal Year 2013 budget process, the department estimated that Newark's structural deficit for Calendar Year 2013 would be $20 million to $50 million. On December 31, 2013, the Director of Local Government Services issued a letter to the Mayor of the City of Newark announcing that the State was assigning an independent auditor to "...inspect the City's financial affairs and to examine the books and records of the City, consistent with State law." During the Fiscal Year 2015 budget process, the Division noted that particular attention was being paid to Newark because the City failed to comply with State budget laws and size of its structural budget imbalance was large and appeared to be increasing.

In an Official Statement for the issuance of $74.973 million in Tax Anticipation Notes dated April 24, 2014, Newark indicated that the City's Annual Financial Statement for 2013 reported a cash deficit of $30.1 million. State law requires that if a municipality operates at a cash deficit in the preceding year, the amount of the deficit must be included as an appropriation in the following year's budget. In the Official Statement the City also noted that when the requirement to fully fund the 2013 cash deficit is taken into account, the estimated budget gap for 2014 was approximately $93.5 million. Newark also reported that cost containment and revenue enhancement options would not be sufficient to enable the City to close the budget gap and that after reasonably projected results of those actions were applied, the budget deficit would equal or exceed $63.5 million.

On October 8, 2014, the Local Finance Board approved a resolution to place the City of Newark under State financial supervision pursuant to the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1). Newark was also awarded $10 million in Transitional Aid for Calendar Year 2014. On December 1, 2014 the DLGS announced that it was seeking qualified candidates to fill a field staff position in the Transitional Aid program to oversee a large urban municipality. The appointee's responsibilities would include insuring compliance with the Transitional Aid Memorandum of Understanding and conducting management and operational reviews.

- ***Question:*** **Please describe any ameliorative actions taken by the City of Newark to close its Calendar Year 2014 budget deficit. What effects did these actions have on City services? Has the State appointed a fiscal control officer for the City of Newark? If not, when does the State expect a fiscal control officer to be chosen? What is the scope of the monitor's responsibilities? Please describe any conditions of the Transitional Aid Memorandum of Understanding that are unique to the City of Newark. Has the City of Newark introduced and submitted for State review a budget**

Discussion Points (Cont'd)

for Calendar Year 2015? What is the projected amount of Newark's structural deficit for the current year?

The Division is working with the City to maximize the collection of water/sewer fees, municipal court debt and unpaid payroll taxes and to reduce payroll expenses and departmental budgets.

The Division of Local Government Services has assigned a fiscal monitor to the City of Newark. In addition, the City has hired (through its Transitional Aid funds) an independent auditor to oversee its Department of Finance. That firm is currently supervising staff and working with them to improve capacity and performance. The firm is also overseeing the preparation of the Annual Financial Statement as well as monitoring the reconciliation of all funds to ensure cash and general ledgers are balanced.

The Transitional Aid Memorandum of Understanding ("MOU") for the City of Newark contains the following specific provisions:

- New Council Members will only be allowed to have three aides (down from five);
- Take-home vehicles for members of the governing body, their aids and employees of the Clerk's Office must be reduced;
- City credit cards were required to be collected and may no longer be utilized; and,
- "In Lieu Funds" provided to Council Members have been reduced and a certain portion of these funds are now inserted into a specific line item in the budget for use as dedicated funds.

In addition to these provisions, the MOU requires the retention of the independent auditor.

The City has not yet introduced its CY2015 budget. This budget is anticipated to be submitted to the State within the next several weeks.

Discussion Points (Cont'd)

8. Since October 2010, the City of Atlantic City has been subject to State fiscal oversight pursuant to the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et. seq.). According to a resolution adopted by the Local Finance Board ("Board"), Atlantic City was placed under state supervision following a judicial determination of gross failure to comply with the provisions of the "Local Budget Law," which substantially jeopardizes the fiscal integrity of the municipality. The "Local Government Supervision Act" allows the Board ("LFB), thorough the Division of Local Government Services (DLGS) to exercise greater control over the finances of a county or municipality declared to be in "unsound financial condition." For example, the Board may require State approval of the issuance of debt and collective bargaining agreements, and authorize direct State control over specific functions related to the fiscal affairs of the municipality, such as revenue administration and budget preparation. The Board may also require the appointment of a fiscal control officer to serve as the director's agent with respect to the performance of duties related to the fiscal affairs of the municipality.

In 2011 Atlantic City entered into a Memorandum of Understanding (MOU) with the DLGS that required the review and approval of all hiring decisions, the awarding of professional services contracts, and the awarding of discretionary salary increases. In November of that year, Atlantic City received Board approval to finance approximately $35 million in tax appeal settlements. Although Atlantic City remained under State supervision, the terms of the MOU were amended to limit the scope of State oversight to areas directly related to tax appeals and "in areas critical to financial restraint as part an effort to establish a successful State and local strategy to prepare for pending appeals." Atlantic City's 2014 Annual Debt Statement indicates that the municipality has issued $153.7 million in "Tax Appeal Bonds" to pay amounts owed to property owners for property tax overpayments following successful assessment appeals or the settlement of property tax appeals. Atlantic City is authorized, but has not issued, an additional $100 million in "Tax Appeal Bonds."

Atlantic City's fiscal situation has been further complicated by the decline in the value of casino gaming property and the closure of casinos. From 2008 to 2014, the equalized value of all taxable property in Atlantic City has decline by 42%, from $20.4 billion to $11.8 billion. Declines in property values affect the amount of revenue a municipality may be able to raise through the property tax levy, which, in turn, affects municipal cash flow. On December 18, 2014 the State provided Atlantic City with a short-term loan of $40 million at an interest rate of 0.75% after it was unable to obtain market access for a $140 million bond issue. Atlantic City was to repay the loan by March 31. In January 2015, two major bond rating agencies, Moody's and Standard & Poor's lowered Atlantic City's debt rating to below investment-grade levels.

Atlantic City was awarded $13 million in Transitional Aid in 2014. In December 2014, the Mayor of Atlantic City released a fiscal recovery plan that seeks to reduce the municipal budget by $40 million over four years through a series of expense reductions, revenue enhancements, and the stabilization of the city's revenue base. The due date for repayment of the loan, initially March 31, 2015, has been extended 60 days. On March 18, 2015, *The Press of Atlantic City* reported that that Atlantic City was granted an additional 45 days to submits its Calendar Year 2015 Transitional Aid application. The newspaper also noted, "Atlantic City...must find a combination of savings and aid totaling about $70 million to avoid raising taxes on residents." On March 26, 2015, a report by Moody's Investors Service indicated that Atlantic City may not be able to make debt payments due on August 1 and December 15.

Discussion Points (Cont'd)

- ***Question:*** **Please describe the State's current role in monitoring the finances of the City of Atlantic City. Is a fiscal monitor still on site? What is the scope of the monitor's responsibilities? Has Atlantic City submitted its Transitional Aid application? If so, what amount of aid has been requested?**

There are three (3) levels of supervision operating in Atlantic City. First, as a condition of receiving Transitional Aid, the City is required to enter into a Memorandum of Understanding ("MOU") with the Division of Local Government Services that outlines various oversight provisions. Second, the City is subject to oversight authorized by the Local Finance Board pursuant to the Local Government Supervision Act (NJSA 52:27BB-1 et seq.). Finally, Governor Christie's Executive Order 171 installed an emergency manager (EM) for the City.

Atlantic City has not yet submitted its Transitional Aid application.

- ***Question:*** **What is Atlantic City's projected budget deficit for Calendar Year 2015? Please describe any ameliorative actions Atlantic City has taken to close its budget deficit. What effects have these actions had on city services? Is the division confident that Atlantic City will have enough cash on hand to make all scheduled debt payments? If Atlantic City is in danger of not making a debt payment, will the State provide sufficient funds to pay any principal and interest due?**

The Emergency Manager's Report identifies the Calendar Year 2015 budget deficit as $101.1 million. Much of the projected deficit is ascribed to a reduction in the ratable base from $11.3 billion to $7.3 billion.

Since January, 2014, the City has worked to identify potential savings. Examples of some savings that have been implemented and some that are under discussion follow:

- The employee "headcount" has dropped by approximately 145 employees from 1,359 to 1,214.
- Savings were achieved by merging the Department of Health and Human Services with the Department of Licenses and Inspections.
- Shared service agreements with the Casino Reinvestment Development Authority and Atlantic County Improvement Authority have been executed.
- The City is foreclosing and selling unneeded property.

There has not been an adverse impact on city services. The Division continues to work with City officials to ensure that immediate obligations are met. Longer term solutions are being addressed by the Emergency Manager and are set forth in his report.

The City is not in danger of missing a debt service payment.

Discussion Points (Cont'd)

9. On January 22, 2015, Governor Christie issued Executive Order No. 171 (E.O. 171). E.O.171 establishes an Emergency Manger for Atlantic City in the Division of Local Government Services in the Department of Community Affairs. The Emergency Manager is authorized and directed to analyze and assess the financial condition of Atlantic City and prepare and recommend, within 60 days of appointment, a plan to stabilize the City's finances over the long term "...by any and all lawful means, including the restructuring of municipal operations and the adjustment of the debts of Atlantic City pursuant to law". E.O. 171 also authorizes the Emergency Manager to negotiate with parties affected by the recommended plan for an adjustment of Atlantic City's debts and the restructuring of its municipal operations. The Emergency Manager may, at his discretion, recommend modifications to the plan following any negotiations. The Emergency Manger is authorized to consult with elected officials, representatives of bondholders and creditors, representatives of municipal collective bargaining units, and "such other persons and parties necessary to secure the long-term financial stability and viability of Atlantic City and its economy."

The Governor appointed Mr. Kevin Lavin as the Emergency Manager for Atlantic City and Mr. Kevyn Orr as counsel to the Emergency Manger. On January 28, 2015, the *Associated Press* reported the Mr. Lavin will earn an annual salary of $135,000. The *Associated Press* article also noted that that information on Mr. Orr's salary "will be made available soon." On March 20, 2015, *Reuters* reported that the State will pay the accounting firm Ernst & Young $250,000 for its "work in analyzing the Atlantic City's financial problems." According to a copy of a retention agreement between the State and Ernst & Young reviewed by Reuters, the accounting firm will also bill $455 per hour for "longer-term services" including liquidity forecasting, cash-flow, debt, and revenue analysis, and the development of a restructuring plan.

The Emergency Manager's report was released to the public on March 24, 2015. The report summarized Atlantic City's current financial condition and outlined potential options for stabilizing the municipality's finances in the near and long-term but did not make any specific recommendations for revenue enhancements or cost reductions. In Section 5 of E.O. 171, the Governor reserved the right, pending receipt of recommendations from the Emergency Manager to "take such additional actions, invoke such emergency powers, and issue such emergency orders or directives as may be necessary to protect the health, safety, and welfare of the people of Atlantic City and the State, and to ensure the continued provision of essential services in Atlantic City."

- ***Question:*** **Please identify any additional staff that have been hired to assist the Emergency Manager in his duties. What amount has been expended so far in support of the Emergency Manager, his counsel, and any <u>non-State</u> staff hired to assist him in his duties? What is the source of these funds? What role is envisioned for the Emergency Manager following the issuance of his report? Will there be an opportunity for the general public to comment on the Emergency Manager's report and offer suggestions for modifications to his recommendations?**

- ***Question:*** **Please clarify which additional powers the Governor may invoke in order to protect the people of Atlantic City and the State, and to ensure the continued provision of essential services. What additional authority is granted to the Governor under E.O. 171 that he does not already have under general law? To what extent did the department confer with the Governor or his staff prior to the issuance of E.O.**

Discussion Points (Cont'd)

171? To what extent has the Governor or his staff conferred with the department concerning invoking additional powers relative to State intervention in Atlantic City?

No additional staff has been hired to assist the Emergency Manager in his duties. Mr. Lavin is an employee of the Division of Local Government Services and is therefore paid according to the State payroll schedule. At the current time, there have been no other monies expended in support of this effort. As expenses are incurred, the Department of Community Affairs will work with the Department of Treasury to ensure that an appropriate line-item in the budget is identified from which to pay expenses. With respect to the role of the Emergency Manager, the Department refers to the language of the Governor's Executive Order dated January 22, 2015. Comments on any matters initiated by the Department are always welcome to be submitted by constituents.

Questions regarding legal authority should be referred to the Office of the Attorney General. The Department regularly communicates and coordinates with the Governor's Office on significant issues.

Discussion Points (Cont'd)

10. Established in 1917 as the Department of Municipal Accounts, the Division of Local Government Services (DLGS) provides assistance to local governments and authorities in developing and strengthening managerial, planning, and financial competence. Most notably, the DLGS oversees and monitors compliance with local budgeting, debt, ethics, and finance, laws, administers State Aid programs, assists fiscally distressed municipalities with financial and managerial support, and assists local governments and schools with procurement regulation. The DLGS also assists with consolidation and shared services efforts, administers certification and continuing education programs for local officials (municipal clerks, finance officers, tax collectors, etc.), and oversees local government deferred compensation programs, and length of service award programs to volunteer fire and rescue organizations.

The size of the division's staff peaked at 104 full-time employees in Fiscal Year 1988 and then steadily declined (due to attrition, layoffs, and retirements) to 42 full-time employees in Fiscal Year 2015. The Executive recommends 53 State-supported positions for the DLGS in Fiscal Year 2016, an increase of 26% from the current fiscal year. The Executive also recommends a 6.4% increase in the line-item for DLGS Salaries and Wages, from an adjusted Fiscal Year 2015 appropriation of $3.896 million to $4.146 million for Fiscal Year 2016. If all 11 additional full-time positions are filled, it would be the first increase in the DLGS staff in many years.

- ***Question:*** **What is the justification for 11 additional full-time positions for the Division of Local Government Services? Does the department anticipate that all 11 positions will be filled during Fiscal Year 2016? To which areas of responsibility will these employees be assigned?**

While funds for additional staff are contemplated in the budget, it is not accurate to suggest that the number of full-time employees to be added is eleven (11). The current staffing plan is below the level needed to execute the Division's statutory responsibilities, particularly in the area of Transitional Aid oversight. Additional staff capacity will allow the Division to provide appropriate assistance on a broad range of municipal issues, including frequent requests for guidance related to procurement and shared services.

At this time, we anticipate filling all vacant positions in FY2016.

Discussion Points (Cont'd)

11. Section 239 of the "Consolidated and Further Continuing Appropriations Act, 2012" (Pub.L. 112-55) appropriated $400 million to the Community Development Block Grant - Disaster Recovery in the federal Department of Housing and Urban Development (HUD) for "necessary expenses for activities related to disaster relief, long-term recovery, restoration of infrastructure, and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster...." According to information obtained from the HUD website, these funds are allocated to States or units of general local government "based on its estimate of the total unmet needs for infrastructure and the unmet needs for severe damage to businesses and housing that remain to be addressed in the most impacted counties after taking into account December 2011 data on insurance, Federal Emergency Management Agency assistance, and Small Business Administration disaster loans."

New Jersey received an allocation of $15,598,506 in CBG-DR for the purpose of assisting the communities most impacted and distressed by Hurricane Irene. The "New Jersey Community Development Block Grant Disaster Recovery Program Action Plan for State Fiscal Year 2013" identified Passaic County as the eligible entity and recipient of 80% of the CDBG-DR funds. The remaining 20% was available, through a competitive application process, for recovery efforts in all other counties that received presidential disaster declarations following Hurricane Irene (all other New Jersey counties). A maximum of 5% of the funds may be used for administration of technical assistance. According to a revised allocation table published in CDBG-DR Action Plan Amendment No. 2, the funds are to be allocated for the following grant activities in Passaic County and Statewide, respectively.

Revised Allocation of Hurricane Irene CDBG-DR Funds

Grant Activity	Passaic County (80%)	Competitive Statewide (20%)	Total Funding
Clearance	$0	$34,807	$34,807
Demolition	$100,000	$0	$100,000
Economic Revitalization	$0	$0	$0
Housing Rehabilitation	$7,012	$65,000	$72,012
Home Buyouts & FEMA Match	$8,436,853	$575,106	$9,011,959
Infrastructure Improvements	$2,285,000	$1,884,263	$4,169,263
Public Services	$0	$256,088	$256,088
Relocation	$456,000	$103,017	$559,017
Resettlement Incentives	$570,000	$30,000	$600,000
To be Reallocated	$0	$15,435	$15,435
Subtotals	**$11,854,865**	**$2,963,716**	**$14,818,581**
State Administration	$623,940	$155,985	$779,925
TOTALS	**$12,478,805**	**$3,119,701**	**$15,598,506**

The Action Plan indicates that about $460,000 was initially allocated for economic revitalization activities to assist local businesses that lost jobs due to the impact of Hurricane Irene. In response to Fiscal Year 2014 OLS Discussion Point, the department noted that no applications were received for economic revitalization assistance. The department also noted that 90% of the full grant had been awarded. The department also anticipated that 12 properties in Passaic County would be rehabilitated at an approximate cost of $23,900 per

Discussion Points (Cont'd)

household. Passaic County's plan indicated that 67 properties would be purchased through the Housing Buyout Program at an average cost of $138,855. Two applications for housing buyouts would be funded through the Statewide allocation at an average cost of $281,893. Four municipalities, Bloomingdale Borough, Cranford Township, Passaic City, and Rahway City, received funding for the reconstruction and improvement of essential public infrastructure impacted by Hurricane Irene.

- ***Question:*** **For Passaic County, and all other counties, respectively, what amount of funds has been disbursed for each grant activity? How many housing units were rehabilitated with these funds? What is the average amount awarded to each eligible household for housing rehabilitation? How many homes have been purchased through the Housing Buyout Program, and at what average cost? How many homeowners have received resettlement incentives? By what date must all funds be expended?**

Amount of funds disbursed for each grant activity:

CDBG-DR Hurricane Irene Disbursements						
Grant Activity	**Passaic Co.**	**Atlantic Co.**	**Cumberland Co.**	**Salem Co.**	**Union Co.**	**Total [1]**
Clearance	$ -	$ -	$ -	$ -	$ 34,807	**$ 34,807**
Demolition	$ 936	$ -	$ -	$ -	$ -	**$ 936**
Economic Revitalization	$ -	$ -	$ -	$ -	$ -	**$ -**
Housing Rehabilitation	$ 7,012	$ -	$ -	$ -	$ 65,000	**$ 72,012**
Home Buyouts & FEMA	$ 1,373,998	$ 197,941	$ -	$ -	$ 261,996	**$ 1,833,935**
Infrastructure Improvements	$ 415,016	$ 11,940	$ 277,486	$ 299,286	$ 28,223	**$ 1,031,951**
Public Services	$ -	$ -	$ -	$ -	$ 256,088	**$ 256,088**
Relocation	$ -	$ -	$ -	$ -	$ 94,617	**$ 94,617**
Resettlement Incentives	$ 30,000	$ 25,000	$ -	$ -	$ -	**$ 55,000**
Subtotal	**$ 1,826,962**	**$ 234,881**	**$ 277,486**	**$ 299,286**	**$ 740,731**	**$ 3,379,346**
Administration	$ 462,327	$ 17,488	$ 20,660	$ 22,283	$ 55,151	**$ 577,909**
TOTAL	**$ 2,289,289**	**$ 252,369**	**$ 298,146**	**$ 321,569**	**$ 795,882**	**$ 3,957,255**
1 - as of 4/17/2015						

Six (6) housing units have been rehabilitated in Rahway City. The average cost was $10,833 per unit.

To date, 17 homes have been purchased through the Housing Buyout Program (15 in Passaic County and 2 elsewhere). The average cost of a home in the Buyout Program is $222,000 with $111,169 being paid from CDBG-DR funds.

Two (2) homeowners received resettlement incentives, one each in Wayne Township and Buena Borough.

The Federal Register for the CDBG-DR (Irene) funding did not establish a termination date. However, the State's CDBG-DR (Irene) Action Plan reflects an end date of December 31, 2015. Should funds not be expended by that date an extension is possible.

Discussion Points (Cont'd)

12. The Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) Program is the State's primary source of assistance to homeowners affected by Hurricane Sandy. The RREM program provides grants in amounts not to exceed $150,000 to eligible homeowners to repair, elevate, or reconstruct their homes. The grant funds are intended to fill the gap between total costs and other funds the homeowner has received to repair the structure from insurance payments, FEMA, the Small Business Administration, or nonprofit foundations. According to the RREM Program Policies and Procedures, 70% of the first round funding allocation was reserved for low-to-moderate-income applicants and 30% was reserved for all other applicants. CDBG-DR Action Plan Amendment No. 7 indicates that 50% of the funds allocated from the second tranche of federal assistance were reserved for low-to-moderate income households. Total funding for the RREM Program is $1.1 billion. If CDBG-DR Action Plan Amendment Nos. 11 and 13 are approved, total program appropriations will increase by $255 million to $1.355 billion.

RREM applicants must meet six eligibility requirements: (1) the home must have been owner-occupied at the time of the storm; (2) the home must have served as the primary residence; (3) the home must have been in one of the nine most impacted and distressed counties; (4) the homeowner must have been registered with FEMA; (5) the homeowner must have an adjusted household gross income of less than $250,000; and (6) the residence must have sustained damage as a result of Hurricane Sandy with a full verified loss of at least $8,000 or had more than one foot or water as determined by FEMA. Funding requests are prioritized as follows: (1) homes with "substantial damage" as determined by New Jersey floodplain managers, regardless of zone; (2) homes with severe/major damage only in A/V flood zones established by FEMA (if demand and funds remain after priority 1); and (3) homes with severe/major damage in all other zones (if demand and funds remain after priority 2).

The 'Superstorm Sandy CDBG-DR Dashboard" indicates that $814.3 million has been obligated to support 7,549 eligible homeowners through the RREM Program. Of that amount $419.7 million has been disbursed. The CDBG-DR Performance Report for the fourth quarter of 2014 indicates that the State expended $144.7 million for RREM in the final months of that year. The State reports that 5,800 grant agreements have been executed and the number of homes under construction increased by 69%, from 2,418 at the end of the third quarter of 2014 to 4,097 at the end of the fourth quarter of 2014. The report also notes that the RREM waitlist has been cleared and all eligible applicants have been moved into a "pending funding status." According to Action Plan Amendment No. 11, the State will transfer additional funds to serve all eligible applicants, if necessary.

The Voluntary Compliance Agreement (VCA) required the department, within 150 days of its execution, to complete a review of all applicants initially found ineligible for the RREM who had not filed an appeal, using the same review process already in place for people who filed an appeal. The department was required to provide applicants initially found to be ineligible with a determination of whether upon review they are eligible for the RREM program, any documents necessary to process the application, a mechanism by which applicants can get information on the status of their application, and the right to appeal a final decision to the Office of Administrative Law. The VCA also requires the department to implement a system through which all RREM applicants can receive current information on their application's status by telephone.

Discussion Points (Cont'd)

- *Question:* **Please provide an update on the total amount of funding awarded and disbursed through the RREM Program. What is the average RREM grant award? How many grant agreements have been signed? How many homes are under construction? How many participants have completed the RREM Program? What is the average length of time from the signing of the grant agreement to re-occupancy? How many homeowners chose their own contractor or used a State-assigned contractor, respectively? What amount of RREM funding does the department anticipate will be expended in Fiscal Year 2016?**

As of April 20, 2015, DCA has allocated $887,853,678 and thus far disbursed $473,727,791 to homeowners in the RREM program.

The average RREM grant award is currently $130,951. This amount represents the average amount obligated per homeowner and will fluctuate slightly over the course of the program. As the grant award is based on an estimate of the cost to repair, the amount actually disbursed varies on a case-by-case basis.

A total of 6,828 homeowners have signed grants in the RREM program. DCA projects the vast majority of grants will be signed by the end of the summer.

Currently, 6,333 homes are under construction in the RREM program. This number is comprised of applicants who have signed a RREM grant and have received any reimbursement from the program.

As the program matures, more homeowners are moving from the construction phase to the closeout portion of the RREM program. This fact is reflected by a 144% increase in completed homes since January 1, 2015. Currently, 940 homeowners have confirmed that construction on their home is complete. This number will continue to increase significantly in the coming months.

It is extremely difficult to provide a single, average length of time from the signing of a grant agreement to re-occupancy. Each homeowner's rebuilding is different. Factors that influence the length of the construction period include whether a house is being rehabbed or rebuilt; elevated or not; on-site specific issues that require zoning or planning board approvals, etc.

The vast majority of homeowners in the RREM program are using an owner-selected contractor, meaning they are directly managing their construction and in control of the timeline for their project. While the RREM program provides technical assistance to the homeowner throughout construction to help ensure compliance with federal rules related to their rebuilding, it is ultimately up to the homeowner and their builder to determine the construction schedule.

The program gives homeowners who have selected their own contractor one year from the date of grant signing to complete their construction, and allows for extensions as needed to homeowners who experience delays. DCA will work in good faith with any homeowner who is committed to the rebuilding of their storm-damaged home, and has recently dedicated substantial staff resources to focus on working with homeowners struggling to manage their construction timelines.

Discussion Points (Cont'd)

Currently, 5,539 homeowners are utilizing their own contractor (Pathway B) and 960 homeowners are using a State-assigned contractor (Pathway C). There are 300 homeowners who had already completed construction when their grant was executed (Pathway A).

DCA anticipates expending approximately $300 million in FY2016.

- ***Question:*** **Has the Department completed its review of applications submitted and initially determined to be ineligible for the RREM Program? How many eligibility decisions were reversed? How many of these applicants have received RREM grant funding? How many eligibility decisions were appealed to the Office of Administrative Law? How many of the department's decisions have been sustained or overturned, respectively? Has the department established a system that allows RREM Program applicants to check the status of their application by telephone?**

The Department completed its review by October 30, 2014 of the 2,285 applications initially found ineligible for the RREM program who had not filed an appeal, using the same review process already in place for applicants who have filed an appeal.

Of the initial 2,285 ineligible applications, 253 applications were determined to have met minimum initial eligibility requirements for ownership, primary residence, impacted county, FEMA registration, damage level and income.

All of the 253 applicants were notified on or about December 22, 2014 of their initial eligibility determination. Of this group seven (7) applicants have executed their RREM grant award and are in the construction phase, another 158 applicants have been assigned a housing advisor and are completing their requisite documentation pending their initial site inspection, 81 applicants have either voluntarily or been administratively withdrawn from the program and seven (7) applicants upon submission of further required documents did not meet program eligibility requirements and were granted a right to appeal this determination.

Each of the initial ineligible 2,032 applications that were determined ineligible for not meeting one or more of the RREM program initial eligibility requirements were notified by letter via certified mail of the specific reason for this determination and were advised of their right to appeal this determination to the Office of Administrative Law (OAL) at no cost to the applicant. Thirty-even (37) applicants exercised their right to an appeal before an Administrative Law Judge (ALJ) at the OAL which is less than 2% of the applicants granted the right to this appeal process.

There has been one decision where the DCA determination has been sustained by the ALJ and five (5) applicants who withdrew their appeal after it was filed.

RREM program applicants may check the status of their application via telephone through one of the following sources:

- Their assigned housing advisor, Monday – Friday, 9am to 6pm
- ReNewJerseyStronger Call Center, 1-855-SANDYHM (726-3946) which is available Monday – Friday, 9am to 6pm

Discussion Points (Cont'd)

- NJ Department of Community Affairs' Sandy Constituent Services, 609-292-3750, Monday – Friday, 9am to 5pm

In the event that language services are needed, each of the above sources has access to a language assistance line.

Discussion Points (Cont'd)

13. The Superstorm Sandy Housing Incentive Program (SSHIP) consists of three programs: the Reconstruction, Rehabilitation, Elevation, and Mitigation Program (RREM), the Homeowner Resettlement Program, and the Landlord Rental Repair Program (LRRP). The combined amount of allocated and proposed funding for these three programs totals $1.610 billion, approximately 42% of all federal assistance awarded to New Jersey through all three rounds of Community Development Block Grant – Disaster Recovery (CDBG-DR) funding. On April 17, 2013, the Division of Purchase and Property in the Department of the Treasury issued a Request for Quotation (RFQ) for the "Management and Other Related Services of the Superstorm Sandy Housing Incentive Program (SSHIP) for the State of New Jersey Department of Community Affairs." According to the RFQ, the winning contractor would be responsible for a wide array of activities related to the SSHIP, including the development of an intake and application process, eligibility determinations, loan closings, disbursing of funds, monitoring and compliance, and close-out of the program. On May 9, 2013, Hammerman & Gainer, Inc. (HGI) a firm based in New Orleans, LA, was awarded a contract (#A83958) in the amount of $85,956,848. The contract was set to expire of May 7, 2016.

Amendment #1 to Contract #A83958 indicates that an interim agreement between the State and HGI was executed on December 6, 2013 providing for early termination of the contract, a means to resolve outstanding invoices, and the beginning of a transition period in anticipation of the termination by mutual agreement. HGI's contract would be terminated effective January 6, 2014, unless the State exercised an option to extend the contract for 14 days. On December 31, 2013, the State chose to extend HGI's contract until January 20, 2014. Amendment #1 also required the State to make interim payments totaling $9 million; $7 million to be paid on or before December 13, 2013 and $2 million to be paid on or before December 26, 2013. Correspondence between the Office of the Attorney General and HGI indicates that these payments were to satisfy outstanding invoices. As interim compensation for work performed during the transitional period, the State was also required to pay HGI interim payments of $1 million on December 20, 2013 and $500,000 on December 27, 2013.

In response to a Fiscal Year 2014 OLS Discussion Point on this matter, the department noted that the termination of the contract allowed DCA to take full control of the functions performed by HGI. The department now manages the nine Housing Recovery Centers, the application, grant award, and construction processes, and supervises housing advisers and call center specialists. The DCA staff were augmented by contractor staffing through existing vendors, such as Acro, Atrium, CBI/Shaw. CGI, Gilbane, NJ 2-1-1, URS, and ICF. In April 2014, the *Philadelphia Inquirer* reported that ICF had entered into an agreement to take over some of the work performed by DCA, not to exceed $36.5 million.

The department also noted that HGI had submitted invoices totaling $58,343,149.86 and that the DCA had paid a total of $35,910,449.02 of that amount. A review of supporting documentation for all invoices from HGI was ongoing. In February 2014, HGI filed a demand for arbitration in February 2014 but then put that demand on hold to allow the review of their invoices and to allow for informal negotiations, reconciliation, and adjustments. Because the State had not yet had sufficient time to complete its review of the HGI documentation, that both parties, through counsel were in discussions about completing that review, it was not possible to state the total amount that would be paid to HGI. On April 15, 2014 HGI submitted an amended demand for arbitration, to which the State responded on May 9, 2014.

Discussion Points (Cont'd)

The department further responded that staffing levels were based on the specific needs of each program. At the end of the HGI contract period, there were approximately 450 full-time staff with various responsibilities associated with application processing. With the phase-out of HGI, the DCA moved more into a direct management role over the SSHIP with approximately 200 full-time staff dedicated to RREM application processing. This included approximately 100 staff in the housing recovery centers and 80 full-time staff in Trenton and Newark. Of the total staff, approximately were 30 were State employees and the balance were hired through approved contractor staff augmentation.

- ***Question:*** **What amount has HGI been paid for services rendered prior to the termination of contract #A83958? What amount remains under dispute between HGI and the State? Please provide an update regarding the status of the arbitration process between HGI and the State. When does the State anticipate that the arbitration process will be completed? What entity has been administering the RREM Program since HGI's contract has been terminated? To what extent is ICF involved in the management of the RREM Program? What amount has been paid to ICF for work that would have been completed by HGI?**

No additional payments beyond the $35,910,449 have been made at this point. The payments made to date were all made "subject to reconciliation and adjustment." DCA finished reconciling and determining the amount due to HGI under the invoices in spring 2014.

The arbitration is presently on hold as settlement discussions continue. DCA cannot comment on the substance of the settlement negotiations other than to say that the Division of Law and outside counsel are vigorously pursuing the State's interests.

- ***Question:*** **Please specify the level of human resources, expressed in average full-time equivalent employees per week, involved in administering the RREM program by all State and private workforces while ICF was under contract, the level involved for the month of March 2015, and the level to which the department plans to provide for the duration of the program. For each of these levels, what percentage comprises work by private employees and what percentage comprises work by State employees?**

Total full-time equivalent (FTE) RREM employees was approximately 195 in March 2014 and is currently about 185 with the expectation that, as programs draw towards conclusion, staffing needs will decrease. The percentage of private vs. State employees has been relatively constant at around 94% and we do not expect that the proportions will change materially.

Discussion Points (Cont'd)

14. In April 2013, the Latino Action Network, New Jersey State Conference of the National Association for the Advancement of Colored People, and Fair Share Housing Center ("complainants") filed a complaint with the federal Department of Housing and Urban Development (HUD) alleging that the State of New Jersey had engaged in discriminatory housing practices with respect to the provision of services under Title VI of the "Civil Rights Act of 1964," (Pub.L.88-352), Title VIII of the "Civil Rights Act of 1968," (Pub.L.90-284), and Section 109 of Title I of the "Housing and Community Development Act of 1974," (Pub.L.93-383) and failed to affirmatively further fair housing through the allocation of Community Disaster Block Grant-Disaster Recovery (CDBG-DR) funding. On May 30, 2014, the State entered into a Voluntary Compliance Agreement (VCA) with HUD and the complainants regarding the allocation of the second and third rounds of CDBG-DR funding awarded to New Jersey.

The terms of the VCA require the State to allocate a certain level of CDBG-DR funds to specific programs already established to assist homeowners and renters: the Fund for the Restoration of Multifamily Housing, Sandy Special Needs Housing Fund, and Tenant Based Rental Assistance. The department also committed to allocating CDBG-DR funds to support two new programs: the Low-to-Moderate Income (LMI) Homeowners Rebuilding Program ($40 million) and Housing Counseling and Outreach ($2 million). Of the $40 million set aside for the LMI Homeowners Rebuilding Program, a minimum of $10 million is reserved for owners of manufactured housing whose homes were damaged by Hurricane Sandy. Funding not needed for the manufactured housing component of the LMI program will be distributed to homeowners not previously served by the Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) program whose homes suffered major or severe damaged due to Hurricane Sandy.

To be eligible for assistance under the LMI Homeowners Rebuilding Program, an applicant: (1) must have registered with the Federal Emergency Management Agency; (2) must have owned and occupied the damaged home at the time of the storm; (3) the damaged home must have served as the homeowner's primary residence; (4) the damaged home must be located in one of the nine counties most impacted by Hurricane Sandy; (5) the damaged home must have sustained Hurricane Sandy-related damage of at least $8,000 or had more than one foot of water on the first floor; (6) a homeowner who received federal disaster recovery assistance for a previous federally declared flood disaster by law must have continuously maintained flood insurance since receiving federal disaster recovery assistance; and (7) must qualify as low-to-moderate income based on the household adjusted gross annual income at the time the application is submitted.

Applications for assistance under the LMI Homeowners Rebuilding Program were accepted from January 5, 2015 through March 20, 2015. According to CDBG-DR Action Plan Amendment No. 7, after the application period closed, a computer randomization will determine the priority of grant eligibility. Homes that were substantially damaged by Hurricane Sandy (the dollar value of the damage is greater than 50 percent of the pre-storm value of the home) will be given priority. The maximum assistance award is $150,000.

- ***Question:*** **How many homeowners submitted applications for the LMI Homeowners Rebuilding Program? Has the department conducted the computer randomization? Was a separate computer randomization process conducted for the**

Discussion Points (Cont'd)

owners of manufactured homes? How many homeowners have been selected to receive assistance? When does the department expect the first grant awards to be signed? How many awards does the State expect to support with the $40 million allocation of funds? Does the department anticipate that the funding level is sufficient to meet the unmet housing recovery needs of low-to-moderate income homeowners?

There were 1,005 applications for the LMI Homeowner Rebuilding Program. The computer randomization was initiated the week of April 6, 2015.

As in the RREM program, a computer-generated randomization sequence was applied to all submitted applications, including the Manufactured Housing Units (MHU). This took place prior to eligibility determinations to guarantee fairness in ranking. Once a random order number was assigned, applications were further prioritized according to structure type and damage.

The department has started processing the submitted applications to determine how many of the 1,005 meet the eligibility criteria. Immediately following the preliminary eligibility verification, the department expects to move forward with notifying applicants of status and initiating the required field work. It is anticipated that applicants will begin signing grants in June, 2015. Due to the limited funding available for this program, the department expects to serve approximately 200 households; this includes those MHUs to be funded by the $10 million initial reserve. Prior to finalizing preliminary eligibility determinations, the department is unable to determine if the current funding level is sufficient to meet the unmet housing recovery needs of low to moderate income homeowners.

- ***Question:*** **Please identify any differences between the RREM Program Policies and the LMI Homeowner Rebuilding Program policies. Will LMI Program participants be permitted to receive a portion of their award as a "construction advance"? Will program participants be permitted to select their own contractors?**

The basic design on the LMI Homeowner Rebuilding Program mirrors the RREM Program.

Applicants who are selected for funding in the LMI program are permitted to select their own contractors. Therefore, no State-supervised contractors will be contracted to manage the construction activities for the LMI Homeowner Rebuilding Program. However, housing advisors are available to assist homeowners with questions dealing with program requirements and contractor activities. Like RREM Pathway B applicants, LMI program applicants are also permitted to receive a construction advance of up to 50% of the total grant award.

Discussion Points (Cont'd)

15. The "Disaster Relief Appropriations Act, 2013" (Pub.L. 113-2) appropriated $800 million to the federal Public Health and Social Services Emergency Fund for disaster response and recovery, and other expenses directly related to Hurricane Sandy, including making payments under the "Head Start Act" and additional payment for distribution as provided under the Social Services Block Grant Program (SSBG). In May 2013, the Department of Human Services (DHS) submitted its Social Service Block Grant (SSBG) Supplemental Intended Use Plan to the federal Department of Health and Human Services. This plan obligated $208.7 million in federal funds awarded to New Jersey through the SSBG Program to the DHS, Department of Children and Families, and Department of Health. On February 26, 2015, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) announced the transfer of $9.5 million in SSBG funds from DHS to support the Rental Assistance Program.

The Rental Assistance Program will provide short-term grants to homeowners participating the Rehabilitation, Reconstruction, Elevation, and Mitigation (RREM) Program and the Low-to-Moderate Income Homeowners Rebuilding (LMI) Program. Eligible homeowners who have signed a grant agreement and are displaced due to the construction, elevation, or rehabilitation of their home may receive up to $825 per month for three months of rental assistance. Rental Assistance Program funds are only available to assist with rent going forward and may not be used as a reimbursement for rent previously paid or incurred. Applicants must be able to provide a validly executed lease for a New Jersey rental property during the construction, elevation, or rehabilitation period; proof of a current mortgage payment on their primary residence (dated within the last 30 days); and valid identification for each homeowner.

All Rental Assistance Program funds must be expended by September 30, 2015. The State has requested a waiver of that deadline from the federal Office of Management and Budget. If the waiver is approved, eligible homeowners may receive up to three months additional rental assistance if an extension is necessary and program funds are still available. If the waiver is approved, the NJHMFA estimates that 1,750 homeowners will receive the maximum assistance amount of $4,950 ($825 per month for 6 months). Of the $9.5 million allocated for the Rental Assistance Program, $7.6 million is initially reserved for RREM applicants and $1.2 million is reserved for LMI Program applicants.

- ***Question:*** **How many RREM and LMI Program participants, respectively, have submitted Rental Assistance Program applications? When does the NJHMFA anticipate the first rental assistance payments will be disbursed? What assumptions and projections did the NJHMFA and the DHS use when determining the amounts of rental assistance program reserved for RREM and LMI Program applicants? From which SSBG initiative were these funds transferred? Is the reallocation of funds to provide short-term rental assistance an acknowledgement that RREM process has taken longer than anticipated and that there continues to be an unmet rental assistance need among displaced homeowners?**

Four hundred ninety-one (491) RREM applicants have submitted applications to participate in the Rental Assistance Program (RAP) as of April 10, 2015. Currently, no LMI applications have been received, because the LMI program has just closed and therefore no grant signings have occurred. Having an executed RREM or LMI grant agreement is a requirement of the program.

Discussion Points (Cont'd)

The first rental assistance payments will be disbursed on May 1, 2015.

The projected number of applicants likely to be served in the LMI Program is much smaller than those served through the RREM Program. As such, the intent was to reserve a percentage of RAP funding for LMI applicants who have not yet reached grant signing as this program launched well after the RREM Program.

Funds were allocated to RAP from funding the State received under the Sandy Supplemental Appropriation through the Social Services Block Grant Program.

The provision of short-term rental assistance is simply an acknowledgement of the financial burden and hardship that can be created by paying both a mortgage and rental payment during the elevation/rebuilding/repair process. The State is keenly aware that paying rent for temporary housing on top of a mortgage while rebuilding, repairing or elevating a home compounds the financial strain families are experiencing and may put them in a tenuous position. This is especially true for those who were on a tight budget before Superstorm Sandy. FEMA Individual Assistance funding was initially used to target this need. In addition, RAP builds upon the non-construction related financial assistance the State has provided through the Homeowner Resettlement Program and the Sandy Homeowners and Renters Assistance Program (SHRAP).

Discussion Points (Cont'd)

16. According to New Jersey's Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan, 27% of all housing damage caused by Hurricane Sandy was inflicted upon rental housing. The State allocated $179.5 million in CDBG-DR funds to the Fund for the Restoration of Multi-Family Housing (FRM) to facilitate the creation of affordable housing in the nine counties most impacted and distressed by Hurricane Sandy. FRM loans were available to projects that receive 9% and 4% federal Low-Income Housing Tax Credits allocated by the New Jersey Housing and Mortgage Finance Agency (NJHMFA), as well as multi-family revenue bonds, conduit bonds, and financing from other CDBG-DR programs. Private for-profit and non-profit housing developers and public housing authorities capable of developing large multi-family housing developments are eligible to apply for FRM loans.

According to the CDBG-DR Action Plan there were four components to the first round of the FRM. The first component leveraged zero- and low-interest CDBG-DR loans with 9% Low-Income Housing Tax Credits. The second component combined zero- and low-interest CDBG-DR loans with the State's allocation of tax exempt bonds and 4% Low Income Tax Credits to create or rehabilitate affordable housing units. This component was intended to incentivize developers to produce mixed-income buildings that provide housing opportunities for extremely low-income households usually overlooked in traditional tax credit projects, households with incomes between 60% and 80% of area median income, and market rate tenants. The third component utilized "stand-alone" CBG-DR funds to provide zero- and low-interest loans to new multi-family projects; these funds may or may not be used in conjunction with Low-Income Housing Tax Credits. The fourth component provided $20 million for repairs to damaged public housing units, federally-owned housing units, and HUD assisted multi-family housing.

The FRM Program Guidelines indicate that projects were selected for funding based on the scoring system shown in the table below:

Criteria	Number of Points
Project is Located in One of the Nine Most Impacted and Distressed Counties	25
Readiness to Proceed to Construction and/or Closing with Lender[1]	25
At Least 10% of Units are for Households At or Below 30% of AMI	15
Municipal, County, or Public Housing Authority Support per N.J.A.C.5:80-33.15 (a)4	10
Minimum of 5% of Supportive Housing Units	10
Mixed-Income (Minimum of 20% of Housing Units are Affordable)	10
CDBG Efficiency (Applicant Requests Less than the Per Unit Maximum)	10
Total Points	105

[1] The FRM Program Guidelines define "Readiness to Proceed" to mean that the start of project construction and/or the closing with the lender or syndicator will take place within 90 days of the funding award.

Discussion Points (Cont'd)

The Guidelines indicate that a minimum score of 55 points was required to be eligible for FRM funds. Subject to the availability of funds, the maximum FRM subsidy amount is $90,000 per unit for projects awarded 9% Low-Income Housing Tax Credits; $120,000 per unit for projects awarded 4% Low-Income Housing Tax Credits; and $120,000 per unit for stand-alone projects. There are three types of FRM funding: construction loans, construction loans which convert to permanent financing, and permanent loans for take-out financing. Other loan types may be authorized to ensure project feasibility. Any unit of housing provided for low- and moderate-income households must be occupied by low- and moderate-income households for at least five years.

In response to a Fiscal Year 2015 OLS Discussion Point, the department indicated that $159.52 million in FRM funding had been allocated to the three subsidy components of the program. $153.8 million had been awarded; of which $108.6 million was part of the 9% tax credit round, $43.4 million was part of the 4% tax credit round, and $1.8 million was a "stand-alone" award. The department noted that FRM loan subsidies would support 2,100 affordable housing units in Fiscal Year 2014 and 1,600 affordable housing units in Fiscal Year 2015. In most cases, construction is underway within 90 days of closing. Approximately $7 million was awarded to support repairs two public housing projects with a total of 367 housing units. The department also noted that federal regulations permit the NJHMFA to retain payments of principal and interest as program income. A revolving loan fund was to be established to use the program income for additional disaster recovery activities subject to the requirements of the State's Action Plan.

The Superstorm Sandy CDBG-DR Dashboard indicates that $156.1 million in FRM funding has been awarded and $33.7 million has been disbursed. The CDBG-DR Performance Report for the fourth quarter of 2014 indicates that FRM funds have been committed to 36 projects, of which 24 are under construction. It is anticipated that these projects will create 3,000 units of affordable housing for low-to-moderate income households, and households on a fixed income in the nine counties most impacted by Hurricane Sandy. The performance report also indicates that $93.2 million has been budgeted for the 24 projects under construction, of which $65.7 million has been expended. The 24 projects under construction will provide 1,518 units of affordable housing.

- ***Question:*** **What amount has been expended for the 24 FRM-supported projects that are currently under construction? When does the department anticipate that construction will begin on the 12 additional projects supported by the first round of FRM funds? Please provide an update of the number of affordable housing opportunities supported by FRM loan subsidies in Fiscal Years 2014 and 2015, respectively. How many FRM-supported projects have been completed? How many FRM-units are occupied by low-to-moderate households and households on a fixed income? How many affordable housing opportunities will be supported by FRM loan subsidies in Fiscal Year 2016?**

$94.5 million has been expended for the 24 FRM projects currently under construction, which will provide 1,628 affordable housing units. The total amount of funding committed for the 24 FRM-supported projects is $119,863,065.

Discussion Points (Cont'd)

There are 36 projects funded in the first round of FRM. Twenty-our (24) projects are under construction.

- Eleven (11) projects are expected to provide 680 units and be completed by June 2015
- Nine (9) projects providing 665 units are expected to be completed by December 2015
- Four (4) projects providing 283 units are expected to be completed in the beginning of 2016.

Of the remaining 12, five (5) projects have completed construction. The Department anticipates construction will begin on the remaining seven (7) projects during the summer of 2015.

FRM Tranche 1 is currently supporting the development of 2,920 affordable housing units for FY2014. FRM Tranche 2 is currently supporting the development of 1,209 affordable housing units for FY2015.

Five (5) FRM projects have been completed, with 20 more projects expected to be complete by year end 2015. Forty-nine (49) LMI units are occupied out of 288 completed units, with many more occupancies expected as additional projects are completed.

It is anticipated that approximately 1,300 affordable housing opportunities will be supported by FRM Tranche 3 loan subsidies in FY2016.

- ***Question:*** **Has the State established a revolving fund for principal and interest payments returned by FRM recipients? What amount has been deposited in the revolving fund? For which purpose(s) have these have these funds been expended? What amount has been awarded for the repair of damaged public and other federally-owned and supported housing units? Please identify which entities received funding through the "PHA set-aside" of the FRM?**

Per the FRM Program guidelines, repayment does not begin until two years after a project places in service; therefore, HMFA has not received any program income to date. This being the case, a revolving fund for principal and interest payments has not yet been created, but is expected to be established during FY2016.

The awarded amount for the repair of damaged public and other federally-owned and supported housing units is $14,687,392.

The identified entities which received funding through PHA set-aside of the FRM are the Jersey City Housing Authority, and Keyport Leisure Bay Apartments (federally assisted).

Discussion Points (Cont'd)

17. The "Fair Housing Act," P.L.1985, c.222 (C.52:27D-301 et al.) ("FHA" or "Act") created the Council on Affordable Housing (COAH) and assigned it various duties concerning the State's affordable housing program. Most notably, COAH is responsible for defining housing regions, the lower-income housing need within in each region, and then allocating each municipality's fair share of affordable housing. The FHA defines affordable housing as housing which is affordable to persons of low- or moderate-income, which are households having 50 percent or less or 80 percent or less, respectively, of the median income for each housing region. COAH began calculating the housing need in six year cycles; the first cycle (or "round") began in 1982 and ended in 1992. The second round began in 1993 end ended in 1999. P.L.2001, c.435 amended the FHA to provide that housing cycles run for 10 years instead of six. COAH has released two rounds of fair share housing allocations but has not yet released the third cycle of each municipality's allotment of affordable housing.

Since the last round of municipal affordable housing obligations expired in 1999, COAH has twice failed to adopt updated regulations (commonly known as the "Third Round Rules") for the present period of municipal affordable housing obligations. In September 2013, the New Jersey Supreme Court ("Court") affirmed the Appellate Division's invalidation of the second iteration of the Third Round Rules.[2] The Court also directed COAH to adopt rules within five months (by February 26, 2014). On February 26, 2014, COAH filed a motion for an extension of time. On March 24, 2014, the Court granted the extension and ordered COAH to take specific steps that would end with the adoption of the Third Round Rules by November 17, 2014. If COAH did not comply, the Court's order provided that the parties could return to the Court for relief, which included lifting the FHA's administrative exhaustion requirement. When COAH failed to promulgate Third Round Rules by the Court's deadline, the Fair Share Housing Center filed a motion to lift the administrative exhaustion requirement.

On March 10, 2015, the Court issued its opinion in In re Adoption of N.J.A.C.5:96 & 5:97 by N.J. Council on Affordable Housing (2015 N.J. LEXIS 269). According to a syllabus of the case prepared by the Office of the Clerk of the Supreme Court, the Court considered a request for relief from the exhaustion of remedies required by the FHA, and to allow civil actions concerning municipal compliance with constitutional affordable housing obligations to proceed in the courts. The Court order held that the FHA's exhaustion-of-administrative remedies requirement is dissolved until further order of the Court. Lower State courts may resume their role as the "forum of first resort" for evaluating municipal compliance with their affordable housing obligations. Writing for the Court, Associate Justice LaVecchia noted, "...nothing herein should be understood to prevent COAH from fulfilling its statutory mission to adopt constitutional rules to govern municipalities' Third Round obligations in compliance with the FHA."

- ***Question:*** **Please describe the status of COAH's efforts to promulgate the Third Round Rules. When does the department expect its draft of those rules to be finished and presented to COAH for final approval? Why has the department failed to comply with the Court's order to promulgate the Third Round Rules by November 17, 2014? How does the Court's order of March 10, 2015 affect the role and responsibilities of**

[2] See In re Failure of New Jersey Council on Affordable Housing to Adopt Third Round Fair Share Methodology and to Allocate Third Round Fair Share Obligations, 215 N.J. 578 (2013).

Discussion Points (Cont'd)

COAH and the Office of Local Planning Services? Please justify the recommended level of funding for the Office of Local Planning Services.

On October 20, 2014, the Council deadlocked 3 to 3 and thus failed to adopt third round regulations. Had the proposal been adopted, the Council would have fully complied with the Supreme Court's mandate. As a result of the tie vote, the Supreme Court chose to vest authority for implementing the Fair Housing Act in the State's trial courts.

The Supreme Court has established a process and timeframe for municipalities to begin filing plans on June 9, 2015 with the respective trial court for "declaratory judgment action". This means that municipal governing bodies have already begun contracting for professional services, and are working to finalize the necessary plans for municipal planning board and/or governing body approval(s) to submit to the court.

For COAH to meet now and attempt to provide new guidance and procedures different from or in addition to those imposed by the Court would only lead to confusion and further delay.

Beginning in 2012, the functions of the Office of Local Planning Services included providing general planning services and technical support (GIS) to municipalities. The recommended funding is necessary to maintain the staff's current level of effort and to meet the demands of municipalities for planning services. In addition Local Planning Services has subsumed two functions that were previously performed by the Office of Smart Growth, since it is no longer under New Jersey Department of Community Affairs. The first involves reviews pursuant to N.J.S.A. 40A:12A-6. In 2003, the Local Redevelopment & Housing Law (LRHL) was amended to give the Commissioner of the Department of Community Affairs (DCA) authority to review resolutions of municipalities designating "areas in need" of redevelopment to determine if the criteria for such designation were met. Local Planning Services conducts the review and recommends action to the Commissioner. Local Planning Services also performs all the Geographic Information Systems (GIS) functions for the Department, updating and creating maps that are shared with OIT, and trains other DCA staff in the use of GIS software. As a part of the Sandy Recovery effort, Local Planning Services is responsible for administering the Post Sandy Planning Assistance Grant program and the Zoning Code Enforcement Grant program, providing data to the GORR and other Departments in an effort to improve State-wide coordination and consistency. Additionally, Local Planning Services maintains several DCA datasets (Areas in Need of Redevelopment, Areas in Need of Rehabilitation, Urban Enterprise Zones, Main Street Program Districts and Municipal State Aid and NJRA Eligible Municipalities), which are accessible on the State website and the Business Locator Site Evaluator for public use.

Discussion Points (Cont'd)

18. Sections 8 and 9 of P.L.2008, c.46 (C.52:27D-329.2 and 52:27D-329.3) specify that certain development fees and payments-in-lieu of constructing affordable housing, received from affordable housing developers, that are not expended and committed to be expended within four years the date of collection are to be transferred by municipalities to the New Jersey Affordable Housing Trust Fund to be used within the same housing region in which the funds were initially collected for the construction and rehabilitation of affordable housing. The transfer of these funs has been delayed by litigation regarding the ability of the Governor to abolish the Council on Affordable Housing (COAH or "the Council') and transfer its responsibilities to the Department of Community Affairs (see In Re Plan for the Abolition of the Council on Affordable Housing (214 N.J. 444 (2013)) and additional litigation regarding the adoption of regulations governing municipal affordable housing trust funds (see In re Failure of Council on Affordable Housing to Adopt Trust Fund Commitment Regulations No. 5257-11 (N.J. Super. Ct. (App. Div.) June 7, 2013) (order vacating stay)). In response to Fiscal Year 2015 OLS Discussion Point, the department indicated that the total Statewide balance of all monies residing in municipal affordable housing trust fund accounts was approximately $156.7 million. Of that amount, $121.7 million was scheduled to transfer to the State in 2013, $12.8 million was scheduled to transfer in 2014, and $16.2 million was scheduled to transfer in 2015.

In June 2013, the Appellate Division of the Superior Court ordered the Acting Executive Director of COAH to notify each municipality, in writing, that funds held in their affordable housing trust funds are subject to forfeiture because they have not been spent or committee for expenditure within four years from the date of collection. The order also established the following procedure for the transfer of the unexpended balances: 1) municipalities were given 30 days to contest the proposed transfer[3]; 2) each municipality's response was to be submitted to the Acting Executive Director of COAH for consideration. The Acting Executive Director was required to take into account any evidence or information submitted by the municipality and respond, in writing, with a decision explaining the basis for accepting or rejecting that information; and 3) the Council was required to consider the Director's determination at the next regularly scheduled meeting, with at least 15 days notice provided to the affected municipalities. COAH was enjoined from taking any action to seize any funds identified prior to a final decision from the Council. Affected municipalities were permitted to seek further relief by appealing directly to the Appellate Division of the Superior Court.

On August 30, 2014, the *Times of Trenton* reported that the COAH had approved the release of $14 million in municipal affordable housing trust funds to support the financing of over 1,000 affordable housing units Statewide. It is unclear from the information available through the "Fair Housing Act Administration" section of the department's website whether COAH has taken any additional actions to release or require the transfer of unexpended municipal affordable housing trust fund balances.

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[3] Municipalities were required to demonstrate to COAH, "...that funds targeted for transfer have been "committed" to an affordable housing project by way of a legally enforceable agreement with a third party, or by such other means that show and firm and binding obligation to spend such funds with a manner consistent with the municipality's affordable housing obligations."

Discussion Points (Cont'd)

On April 9, 2015, the Appellate Division of the Superior Court issued its most recent ruling on In Re Failure of the Council of Affordable Housing to Adopt Trust Fund Commitment Regulations. The Appellate Division enjoined the seizure any trust funds by COAH or any other part of the Executive Branch and declared that "...the future disposition of the trust funds will be directed by the courts on a case-by-base basis." The Court declared that due to the failure of COAH to adopt regulations governing the use of municipal affordable housing trust fund monies and the Supreme Court's recent decision regarding the promulgation of the Third Round Rules, "The issues raised in this appeal can no longer be left in COAH's moribund hands." The use of municipal affordable housing trust funds will now be decided by specially designated trial judges.

- ***Question:*** **Please provide an updated list, by municipality, of the amount remaining in each municipality's affordable housing trust fund, and the cumulative amount from all previous years that is scheduled to transfer to the State in 2015.**

There may be an underlying misconception about the nature of the funds in question. The figures included in discussion points related to the FY2015 budget were amounts **potentially** available for transfer and were not "scheduled for transfer" as suggested in the question. The report submitted to OLS in March, 2014 made reference to funds that were "scheduled to lapse" with no reference to what might be transferred to the New Jersey Affordable Housing Trust Fund. As noted in the current questions, the Appellate Division decision established a specific procedure to be followed as a precursor to requiring any municipality to transfer funds. Accordingly, no funds were scheduled for transfer but were instead subject to case-by-case determinations to be made by the Council in accordance with the directives of the court.

Attachment B is an updated list, by municipality, of the amount remaining in each municipal affordable housing trust fund. The last column in this table also shows the cumulative unexpended amount that each municipality was to have expended or committed for expenditure within four years of collection (i.e., funds collected prior to April 13, 2011 that had not yet been reported as expended as of April 13, 2015). It is important to note that these figures are as reported by New Jersey municipalities through April 13, 2015. Additionally, some funds may have been committed but not yet reported as expended by individual municipalities.

- ***Question:*** **Please identify each municipality that contested COAH's determination of the amount remaining in its affordable housing trust fund, and the amount contested. Has the Acting Executive Director of COAH provided any determinations to COAH regarding whether a municipality's unexpended trust fund balances are committed in accordance with the Appellate Division's order? Has the Council met at any time since August 2014 to consider the Acting Executive Director's findings and issue any orders for the transfer of unexpended municipal affordable housing trust funds? Has the Council met at ay time since August 2014 to authorize the release of municipal affordable housing trust funds? If so, please provide identify the date of each meeting and the amount of municipal affordable housing trust funds released, by municipality.**

Discussion Points (Cont'd)

In response to the June 2013 Order issued by the Appellate Division, COAH's Acting Executive Director issued letters that summarized COAH's affordable housing trust fund records for each affected municipality. This letter documented what had been reported to COAH as collected through March 31, 2009, what had been reported as expended through March 31, 2013 and the calculated difference which reflected funds collected before March 31, 2009 and not expended within four years of collection. Municipalities provided responses that either confirmed or disputed COAH's records. Additionally, municipalities submitted various forms of documentation to demonstrate that unexpended funds were committed for expenditure via a legally enforceable agreement by demonstrating a firm and/or binding obligation to spend funds. Where disputed or assertions of commitment were submitted, a review of the additional documentation provided by the municipality was undertaken and COAH staff provided reports and recommendations to the Council. None of the determinations made by the Council have been contested.

The Council has acted on 29 of these reports to determine that a total of $26,298,723 has been properly committed for expenditure within the required four-year timeframe required by N.J.S.A. 52:27D-329.2 and 329.3. Subsequent to the Council's August 26, 2014 meeting, one additional meeting was held on October 20, 2014 at which 16 of the 29 determinations were made. Attachment C lists each municipality for which a determination has been made by the Council.

Discussion Points (Cont'd)

19. The New Jersey Affordable Housing Trust Fund is a non-lapsing revolving fund that subsidizes the construction and rehabilitation of affordable housing, with funds targeted to each region of the State based on that region's percentage of the State's low and moderate income housing need. The trust fund is supported by revenues generated by the additional fee segment of the realty transfer fee, monies transferred from municipal affordable housing trust funds, and other monies as may be dedicated by the Legislature for the purposes of the fund. Revenues generated by the collection of the non-residential development fees in municipalities that have not received substantive certification from the Council on Affordable Housing are also deposited into the trust fund. This funding also supports the Council on Affordable Housing, affordable housing administration, shelter assistance, the Prevention of Homelessness Program, and the State Rental Assistance Program. Approximately $11.436 million lapsed from the New Jersey Affordable Housing Trust Fund to the General Fund at the end of Fiscal Year 2014.

During the Fiscal Year 2015 budget process, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) anticipated the following sources of funds to support affordable housing in Fiscal Year 2014: funds raised by the issuance of Home Buyer Mortgage Revenue Bonds would support the creation of 700 affordable housing opportunities; $10 million from the agency's general fund would finance the creation 275 affordable housing units through the Choices in Home Ownership Incentives Created for Everyone (CHOICE) program; 235 beds would be created with monies in the Special Needs Housing Trust Fund; and the creation of 1,970 affordable housing units would be supported by Low Income Housing Tax Credits and Housing Revenue Bonds.

In Fiscal Year 2015, the NJHMFA anticipated that mortgage backed securities and/or mortgage revenue bonds would fund the issuance of 1,100 mortgages through the Home Buyer Mortgage Program; $10 million from the agency's general fund would finance the creation 275 affordable housing units through the Choices in Home Ownership Incentives Created for Everyone (CHOICE) program; 3,135 affordable housing units would supported by Low Income Housing Tax Credits and Housing Revenue Bonds; and an additional 235 beds would be created with the remaining balances ($23.5 million) in the Special Needs Housing Trust Fund.

In response to a Fiscal Year 2015 OLS Discussion Point, the department noted that it had not collected any non-residential development fees in Fiscal Year 2014 and that it was not aware of any project within its jurisdiction that would generated non-residential development fee revenues. According to a schedule of non-recurring revenues provided by the Department of the Treasury, $13 million will shift from the trust fund to the General Fund as State revenue.

- ***Question:*** **What level of non-CDBG-DR funding from the department and the NJHMFA respectively, will be available in Fiscal Year 2016 for affordable housing and from what sources? How many affordable housing opportunities will be provided by this funding? What number of affordable housing units will be funded in Fiscal Year 2015 and Fiscal Year 2016 respectively, with State funds, NJHMFA funds, Low Income Housing Tax Credits, NOT support by CDBG-DR funds, and all other sources, respectively? What amount of State revenue has been collected by the non-residential development fee in Fiscal Year 2015 to date, and what is the full-year projection? What amount of State non-residential development fee collections is projected for Fiscal Year 2016?**

Discussion Points (Cont'd)

State funds

Affordable Housing Trust Fund

$6.1 million is budgeted.

Non-CDBG-DR Funding from NJHMFA in FY 2016:

Homeownership
Choices in Home Ownership Incentives Created for Everyone (CHOICE) - $10 million of NJHMFA General Funds

Home Buyer Program – The issuance of Mortgage Revenue Bonds (MRB) and/or the sale of Mortgage Backed Securities (MBS) as needed to support the program

Multifamily Rental
Housing Revenue Bonds (including Conduit Housing Bonds) - $400 million

LIHTC – Approximately $20.5 million in federal 9% Low Income Housing Tax Credits

Supportive Housing
Partnership Loan Program (PLP) – Approximately $14.7 million in combined funding from municipal Affordable Housing Trust Funds, HMFA and DCA funds

Community Development Special Needs Funds - $1.5 million

Homeownership
CHOICE - Approximately 224 affordable units
Home Buyer Program (MRB and MBS) – 504 mortgages

Multifamily Rental
Housing Revenue Bonds (including Conduit Housing Bonds) – Approximately 4,200 units
LIHTC – Approximately 1,000 units

Supportive Housing
PLP – 29 units ($14.7 mil/$500k per unit)
Community Development Special Needs Funds – 10 units

Number of Non-CDBG-DR Funding from NJHMFA in FY 2015

Homeownership
CHOICE – 161 units
Home Buyer Program – 156 units

Multifamily Rental
Housing Revenue Bonds (including Conduit Housing Bonds) – 3,106 units

Supportive Housing
PLP – 2 homes with a total of 8 beds

Discussion Points (Cont'd)

Community Development Special Needs Funds – 2 homes with a total of 8 beds

Number of Non-CDBG-DR Funding from NJHMFA in FY 2016

Homeownership
CHOICE - Approximately 224 affordable units
Home Buyer Program (MRB and MBS) – 504 mortgages

Multifamily Rental
Housing Revenue Bonds (including Conduit Housing Bonds) – Approximately 4,200 units
LIHTC – Approximately 1,000 units

Supportive Housing
PLP – 29 units ($14.7 mil/$500k per unit)
Community Development Special Needs Funds – 10 units

Discussion Points (Cont'd)

20. P.L.2004, c.140 established the State Rental Assistance Program (SRAP) to be patterned after the federal Section 8 Housing Choice Voucher Program for low-income individuals or households. Pursuant to N.J.A.C.5:42-1.2 et seq., tenant-based rental assistance grants are awarded through a lottery-type process only to applicants on the department's existing Section 8 Housing Choice Voucher Program waiting list. Project-based rental assistance is also a component of the program, whereby payments are allocated to new or rehabilitated housing units for 15 years, and paid when qualified tenants occupy those units. Program regulations also reserve 35% of the rental assistance to persons currently on the SRAP waiting list.

The Fiscal Year 2016 budget recommends a Grants-in-Aid appropriation of $18.5 million for SRAP, which is unchanged from the current fiscal year. Budget language continues to reserve at least $20 million from the New Jersey Affordable Housing Trust Fund for the State Rental Assistance Program. In response to a Fiscal Year 2015 OLS Discussion Point, the department provided the following information regarding the sources and uses of funds available for SRAP in Fiscal Year 2015:

Sources	Amount	Uses	Amount
Affordable Housing Trust Fund	$23,500,000	Tenant-Based Vouchers	$32,720,328
Grants-in-Aid Appropriation	18,500,000	Project-Based Vouchers	6,954,774
		Administration	1,500,000
TOTAL	**$42,000,000**	**TOTAL**	**$41,175,102**

According to information posted on the New Jersey Comprehensive Financial System, SRAP has been supported by the Grants-in-Aid appropriation, SRAP carry forward of $2.3 million, and a transfer of $9.0 million from the New Jersey Affordable Housing Trust Fund into the SRAP account. Thus far, the State has spent or committed $25.754 million and has an uncommitted balance of $4.079 million. These data indicate a difference of $12.165 million between the amount available for SRAP and the resources available for the program in the current fiscal year.

- ***Question:*** **Please provide an updated Fiscal Year 2015 spending plan and a projected Fiscal Year 2016 spending plan for the State Rental Assistance Program, specifying administrative costs, tenant-based vouchers, (number and amount by fiscal quarter), and project-based rental assistance (including number of projects, units per project, and amount by fiscal quarter). What level of State funding will be available in Fiscal Year 2016 for the State Rental Assistance Program, and from what sources? Will any new funding be used for project-based vouchers, tenant-based vouchers, or both?**

Discussion Points (Cont'd)

The SRAP FY2015 spending plan is as follows:

Fiscal 2015 SRAP Spending Plan		
Category	**# of Vouchers**	**Amount**
Tenant-based	2,925	$ 30,325,807
Project-based	942	$ 7,209,481
Sub-total Vouchers	3,867	$ 37,535,288
Administrative		$ 1,500,000
Total		**$ 39,035,288**

Below is the spending plan for the FY2016 State Rental Assistance Program. It assumes an increase of 300 project-based vouchers resulting from a Request for Proposal scheduled to be released this month.

FY 2016 SRAP Spending Plan									
	Qtr 1		Qtr 2		Qtr 3		Qtr 4		
Category	# of Vouchers	Amount	# of Vouchers	Amount	# of Vouchers	Amount	# of Vouchers	Amount	Projected Spending
Tenant-Based	3,000	$ 7,695,000	3,000	$ 7,695,000	3,000	$ 7,695,000	3,000	$ 7,695,000	$ 30,780,000
Project-Based	1,262	$ 2,404,110	1,262	$ 2,404,110	1,262	$ 2,404,110	1,262	$ 2,404,110	$ 9,616,440
Subtotal	4,262	$ 10,099,110	4,262	$ 10,099,110	4,262	$ 10,099,110	4,262	$ 10,099,110	$ 40,396,440
Administration		$ 375,000		$ 375,000		$ 375,000		$ 375,000	$ 1,500,000
Total	**4,262**	**$ 10,474,110**	**4,262**	**$ 10,474,110**	**4,262**	**$ 10,474,110**	**4,262**	**$ 10,474,110**	**$ 41,896,440**

Projected SRAP Sources for FY2016 are as follows:

Fiscal 2016	Amount
Grant-in-Aid Appropriation	$ 18,500,000
Affordable Housing Trust Fund	$ 23,500,000
Total	**$ 42,000,000**

Discussion Points (Cont'd)

21. According to the Fiscal Year 2014 Budget Summary, New Jersey set aside 1,000 vouchers funded by the federal Section 8 Housing Choice Voucher Program as "Special Admissions Vouchers" to assist low-income households displaced by Hurricane Sandy in moving into permanent housing. According to a "Frequently Asked Questions" document prepared by the DCA Division of Codes and Standards, applicants were required to meet the following eligibility criteria: 1) The applicant must have rented an apartment or owned a home that is no longer habitable due to damage sustained during Hurricane Sandy; 2) The applicant must have registered with FEMA and been found eligible for FEMA housing assistance; 3) The gross household income cannot exceed 40% of the area median income (waivers of up to 50% of median income were permitted); and 4) the head of household must be a U.S. citizen or legally in the United States. The document also notes that the receipt of a special admissions voucher will not affect an applicant's status on a Section 8 waiting list.

In response to a Fiscal Year 2014 OLS Discussion Point, the department indicated that 1,627 households had applied for Special Admissions Voucher and 500 vouchers had been issued. Of the total number of vouchers issued at that point, about 50% (249 of 500) were awarded to households in Monmouth and Ocean Counties. The department noted that Special Admissions Vouchers were issued beginning in January 2013 on a first-come, first-served basis. There was no application deadline and not more than 1,000 vouchers would be issued. Voucher recipients had 120 days to locate a rental unit. This time period could be extended to 180 days if the voucher holder had not yet obtained housing, but could verify that they had been seeking housing but failed to find an acceptable unit.

- ***Question:*** **How many households applied for a Special Admissions Voucher? How many vouchers were awarded Statewide, and in each county respectively? How many vouchers were awarded to households that participated in the Transitional Sheltering Assistance Program? How many vouches were rescinded and reassigned due to the failure of a recipient to locate an acceptable housing unit? Were Special Admissions Voucher recipients eligible to apply for assistance through New Jersey's CDBG-DR programs? If a voucher recipient transitioned out of the program was their voucher transferred to the next eligible recipient on the waiting list?**

There were 1,627 applications for Special Admissions Vouchers. A total of 980 vouchers were awarded in 19 counties. Of the total, 156 vouchers were given to households in the Transitional Sheltering Assistance program at the time the voucher was awarded. A total of 139 households did not find housing and their vouchers were rescinded. That figure is misleading as some of these households had minimal contact or no contact with the agency after receiving the voucher. Households that attended the rental fairs and kept in contact with their caseworker were given extra time and assistance to locate housing. Once a voucher was rescinded it was not reissued as there was less funding available due to the 2013 sequestration funding cuts. Special Admissions Voucher recipients can apply for CDBG-DR programs that provide benefits other than rental assistance. Special Admissions Vouchers are not transferrable and there is no waiting list. They were created to offer time limited disaster relief.

Discussion Points (Cont'd)

County totals are listed below:

Special Admissions Vouchers Awarded - by County					
County Name	Voucher Awarded	County Name	Voucher Awarded	County Name	Voucher Awarded
Atlantic	308	Essex	14	Morris	1
Bergen	9	Gloucester	2	Ocean	251
Burlington	6	Hudson	28	Passaic	2
Camden	11	Mercer	5	Salem	1
Cape May	31	Middlesex	81	Somerset	3
Cumberland	3	Monmouth	215	Sussex	1
				Union	8
Total Awarded					**980**

Additional Information:

- There were 451 applicants that were denied by FEMA; they either didn't register or were deemed not to have been displaced by the disaster.
- There were 115 applicants that were not accepted due to disqualifying criminal background checks.
- Rental fairs were held in Toms River, Atlantic City, Pleasantville, Long Branch and Fort Monmouth (2) in an attempt to connect eligible voucher recipients with prospective landlords.
- Of the households that moved into a Section 8 assisted rental unit, 234 had a household member that was disabled, 69 had a head of household that was over 62 years old, and 472 of the households had at least one dependent under 18 years old.

Discussion Points (Cont'd)

22. Approved by the federal Department of Housing and Urban Development (HUD) on May 2, 2014, CDBG-DR Action Plan Amendment No.6 authorized the transfer of $17 million originally allocated to the Landlord Incentive Program to the Sandy Tenant-Based Rental Assistance Program (TRBA) in order to provide tenant-based rental assistance vouchers in order to increase the provision of affordable housing to low- and moderate-income households. If the State's plan for the allocation of the third round of CDBG-DR funds is approved, the initial obligation of $17 million will be supplemented by an additional $15 million to provide additional tenant-based rental assistance for up to two years. According to the program guidelines, eligible households must have income at or below 80% of the area median income, and lived in one of the nine counties most impacted by Hurricane Sandy, OR were directly impacted by Superstorm Sandy and previously received rental housing assistance from FEMA and the rental subsidy or rental unit are no longer available. The terms of a "Voluntary Compliance and Conciliation Agreement" arrived at by the department and affordable housing advocacy groups require at least 75% of the third round allocation of $15 million, or $11.250 million, to be set aside for households at or below 30% of area median income.

The TBRA Program Guidelines indicate that all completed applications received by the announced closing date (April 6, 2015) will be entered into the DCA Housing Pro database and a lottery system will be used to select approximately 1,400 applicants. The number of applicants selected from each of the nine counties most impacted by Hurricane Sandy will be determined according to each county's proportion of the total number of housing units that sustained severe damage. For example, data in the TBRA Program Guidelines indicates that 44.3% of the housing units with severe damage are located in Ocean County. Thus, 44.3% of the vouchers will be awarded to applicants from Ocean County. Priority will be given to households with incomes at or below 30% of the area median income and households who were displaced by Hurricane Sandy and continue to need rental assistance. Households chosen through the lottery are expected to pay 40% of their adjusted income for their portion of the rent, minus the applicable utility allowance. The TBRA Program will subsidize the difference between the tenant's portion of the rent and the total unit rent. Total unit rent may not exceed 130% of federal fair market rent for the county in which the unit is located. The TBRA application deadline was April 6, 2015.

- ***Question:*** **Has the department conducted the Tenant-Based Rental Assistance lottery? If so, please provide a table that shows the number of applicants and vouchers awarded, respectively, by county. When does the department expect to begin issuing vouchers to selected applicants? Since the vouchers are valid for a maximum period of two years, has the department begun to consider what housing options will be available to voucher recipients when the funding period ends?**

DCA conducted the lottery on April 20, 2015 to select the 1,400 eligible applicants. A total of 3,177 applicants were entered into the lottery. To ensure geographic fairness in the distribution of funds, the State will select applicants based on the level of damage caused by Superstorm Sandy. The following chart summarizes the number of applicants that will be selected by county. If the lottery falls short of meeting any of the below-referenced numbers, additional applicants will be selected in the order assigned them by the lottery.

Discussion Points (Cont'd)

County	Number of Applicants to be Selected
Atlantic	192
Bergen	73
Cape May	64
Essex	8
Hudson	99
Middlesex	46
Monmouth	282
Ocean	621
Union	16
Total	**1,400**

DCA anticipates issuing vouchers to qualified applicants in late May or early June, 2015.

At the expiration of their two-year voucher, any household requiring additional assistance will be referred to the developers of the new affordable housing units being built through HMFA under the Restoration of Multi-Family Housing program, and any other affordable housing units then available.

Discussion Points (Cont'd)

23. New Jersey's Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan initially allocated $40 million to the Landlord Incentive Program. Under this program incentive payments are provided to qualified landlords to quickly address the need for affordable housing following Hurricane Sandy and meet the immediate needs of displaced low- and moderate-income households. According to information available through www.renewstronger.org, eligible projects must be located in one of the nine counties most impacted by Hurricane Sandy. Priority is given to mixed-income projects in transit-accessible communities and the applicant must have site control prior to applying for Landlord Incentive Program funds. Project-based units that are deed restricted affordable housing are not eligible to receive funding. The application period for landlords closed on May 31, 2014.

Unit subsidies are provided based on affordability levels mirroring the methodology used for the federal Section 8 Housing Choice Voucher Program. According to the CDBG-DR Action Plan, funding priority is given to households earning at or below 50% of area median income. Rental payments may not exceed: (1) 30% of income for a household earning 80% of area median income and (2) 30% of income for a household earning 50% of area median income for "deeply affordable units." Rental property owners receive an amount approximate to the difference between 30 percent of the tenant's monthly income and federal fair market rents. Grant awards are based on the county, number of bedrooms at the property and the tenant's monthly income. Assistance is provided for up to two years.

According to the CDBG-DR Performance Report for the fourth quarter of 2014, the State has budgeted and obligated $6.1 million for landlord incentive payments and paid $2.878 million. The report also notes that the Landlord Incentive Program has 538 units approved under contract; 367 of those units are occupied by low- and moderate-income households. The value of all approved contracts is $12.9 million. On May 2, 2014 the federal Department of Housing and Urban Development approved Action Plan Amendment No. 6 which authorizes the transfer of $22 million from the Landlord Incentive Program to support tenant-based housing vouchers and a new Lead Hazard Reduction Program. No additional CDBG-DR funds were designated for the Landlord Incentive Program.

- ***Question:*** **How many applications for participation in the Landlord Incentive Program were received and approved, respectively? What additional amount of Landlord Incentive Payments has been awarded since the end of calendar year 2014? How many additional units will be supported by Landlord Incentive Program funding in Fiscal Year 2016? Does the department anticipate spending all remaining program funds (approximately $5.1 million)? If so, when will new funding awards be announced? If not, will these funds be transferred to support other CDBG-DR programs that have unmet needs? What resources will be available to support these affordable housing units when all Landlord Incentive Payment funds are expended?**

To date, 91 applications that will create 576 affordable housing units are approved and under contract (approximately $13.71 million).

Since January 1, 2015, payments have been made to support 25 units totaling $610,000.

The program currently has an uncommitted balance of $1,780,409; these funds will support an additional 92 units. The balance is expected to be awarded by August 2015.

Discussion Points (Cont'd)

No additional funding will be available for the LIP landlords; households requiring additional assistance will be referred to the developers of new affordable housing units being administered through HMFA, which are partially funded by CBDG-DR.

Discussion Points (Cont'd)

24. New Jersey allocated $70 million from the first tranche of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to the Fund for Rehabilitation of Small Rental Properties, also known as the Landlord Rental Repair Program (LRRP). According to the CDBG-DR Action Plan, more than 70% of the rental properties in the areas most impacted by Hurricane Sandy have less than 20 units. The LRRP provides up to $50,000 per storm-damaged unit to assist eligible landlords in repairing their residential rental properties. As a condition of receiving funds, the landlord must rent the units to low-to-moderate households at approved affordable rents following the completion of repairs. LRRP funds are intended to close the difference between the cost to repair the rental units and other funds the landlords had received to make those repairs, including Small Business Administration loan funds, and any assistance from other sources that were used for the repair of the structure.

Eligible property owners must meet a series of qualifications to receive LRRP funds: (1) the property must have 25 or fewer units; (2) the owner must certify that the property will be used for year-round rental housing, rather than as a second home or seasonal rental property; (3) the housing units must be vacant, or if occupied with tenants, have had repairs completed prior to the LRRP application submission date; (4) housing units must be rented to low-to-moderate income households after project completion; (5) rents may not exceed 30% of monthly income for a household earning 80% of area median income; and (6) the property must have sustained damage from Hurricane Sandy and require rehabilitation or reconstruction. Program information indicates that a funding preference will be given to properties with seven or fewer housing units, mold remediation needs, and housing units that will be dedicated for special needs populations. Manufactured homes and single room occupancy units are not eligible for LRRP funding.

In response to a Fiscal Year 2015 OLS Discussion Point, the department responded that over 50 landlords had signed grant awards totaling over $2.2 million to repair, construct, and elevate affordable rental properties. The program received 1,405 completed applications. Of that amount, 1,088 applications accounted for 1,933 damaged units that had been preliminarily eligible to date. The department also noted that the majority of construction was expected to take place "within the next 15 months." According to the Superstorm Sandy CDBG-DR Dashboard, approximately $46.879 million in LRRP funds have been awarded while $12.275 million has been disbursed. These funds are expected to support repairs to about 1,200 rental units. The LRRP did not receive any additional allocation of funds from the second and third rounds of CDBG-DR funding.

- ***Question:*** **What amount LRRP funds have been awarded and disbursed, respectively? What amount of LRRP funds has been paid as reimbursement for repairs conducted prior to the application date? How many units does the department anticipate will be rehabilitated in Fiscal Years 2015 and Fiscal Year 2016, respectively? At what average cost? How many of these units are now occupied by low- and moderate-income households?**

As of April 13, 2015, LRRP has awarded $23,654,545, disbursed $12,308,824 and reimbursed landlords $6,692,384 for repairs made prior to the application submission date. The department now anticipates that 900 units will be rehabilitated at approximately $45,000 per unit. We expect that all rehabilitations will be completed in Calendar Year 2016.

Discussion Points (Cont'd)

25. New Jersey's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action plan allocated $25 million for the Sandy Home Buyer Assistance Program (SHAP). Managed by the New Jersey Housing and Mortgage Finance Agency, SHAP provides eligible low- and moderate-income households loans to purchase a home in one of the nine counties most impacted by Hurricane Sandy. Qualified homebuyers may receive up to $50,000 in assistance in the form of a subordinate mortgage. There are no monthly payments and the loan is forgiven 20% per year over a five-year period. Homebuyers must have credit score of 620 or higher. Assistance will be provided to approximately 500 to 600 homeowners.

During the Fiscal Year 2015 budget process, the NJHMFA indicated that 9,000 applications before the program was closed to new applicants on September 30, 2013. As of April 1, 2014, 110 loans valued at $5 million had closed and another 90 loan commitments, valued at $4 million, had been issued. Remaining program funds had been issued for another 400 households. The average loan award was $45,000 per household. In addition to meeting the income and residency requirements, applicants must demonstrate a need for assistance by showing that their mortgage payment is greater than 28% of their gross monthly income. Information available through the "Superstorm Sandy CDBG-DR Dashboard" shows that $10.730 million has been disbursed to support the purchase of 242 housing units. No additional funding was allocated to SHAP from the second and third rounds of CDBG-DR funding.

- ***Question:*** **What amount of loan assistance has been awarded through the Sandy Home Buyer Assistance Program? How many loans have been awarded? Does any portion of the loan have to be repaid of the home is sold before the full amount of the loan is forgiven? Does the NJHMFA anticipate meeting its stated objective to provide assistance to 500 to 600 homeowners? What amount of loan assistance does the NJHMFA anticipate will be disbursed in Fiscal Year 2016? How many loans will be supported by these funds?**

The Sandy Homebuyer Assistance Program (SHAP) has awarded a total of $13,316,401 in assistance to homebuyers in the nine counties most impacted by Superstorm Sandy. To date, these funds have provided 285 interest-free, forgivable loans to low and moderate income families.

Owners are required to maintain the SHAP funded home as their primary place of residence for a term of five (5) years. The SHAP loan is forgiven at a rate of 20% per year over the five-year term. If a family chooses to sell their home before the term has expired, they will be responsible for paying back the remaining, un-forgiven portion of the SHAP award.

After accounting for the administrative costs of the program and the data resulting from the first 300 loans, HMFA is on track to award approximately 465 loans through the end of the program (FY2017).

HMFA anticipates disbursing $4,500,000 for approximately 95 loans during FY2016.

Discussion Points (Cont'd)

26. The State allocated $10 million from the first tranche of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds for the Predevelopment Loan Fund for Affordable Housing. According to information available through the Sandy Recovery Division website, the Predevelopment Loan Fund for Affordable Housing was intended serve as a source of low cost financing to help nonprofit developers cover expenses related to the development of affordable rental properties that are unsafe, underutilized, or in foreclosure. Managed by the New Jersey Redevelopment Authority (NJRA), the Predevelopment Loan Fund for Affordable Housing provides three-year loans in amount between $100,000 and $500,000 per project, at an interest rate not to exceed 2%. The loans are secured by a mortgage on the development site and/or other collateral satisfactory to the NJRA. Loan funds may be used for a variety of predevelopment costs incurred on or after October 30, 2012, including, but not limited to project feasibility studies, environmental studies, legal fees, engineering studies, architectural fees, and other soft costs.

The primary purpose of a project must be to provide affordable rental housing units to individuals or families earning 80% of area median income. In response to an OLS Discussion Point, the NJRA indicated that it received 14 loan applications and anticipated that 800 affordable rental units will be available in Fiscal Year 2015. The CDBG-DR Performance Report for the fourth quarter of 2014 noted that additional fund disbursements were pending the non-profit applicants securing sufficient construction financing. Information available through the "Superstorm Sandy CDBG-DR Dashboard" indicates that while $7.920 million has been awarded, only $1.543 million has been disbursed as of March 3, 2015. It is anticipated that these funds will cover predevelopment costs associated with the development of 1,180 units of affordable housing. The Predevelopment Loan Fund for Affordable Housing Guidelines indicate that all loan disbursements must occur before May 13, 2015. No additional funding was allocated to the Predevelopment Loan Fund for Affordable Housing from the second and third rounds of CDBG-DR assistance.

- ***Question:*** **How much time do non-profit applicants have to obtain necessary project financing? Does the Department anticipate that all loan disbursements will be made before May 13, 2015? If not, why not? What amount of funds will be disbursed by the end of Fiscal Year 2015 and during Fiscal Year 2016, respectively? Has the department awarded any or all of the balance of funds available, $2.080 million to any new projects? If not, does the department anticipate that these funds will be transferred to other CDBG-DR programs with unmet needs?**

Once the non-profit receives Predevelopment Loan Fund (PDLF) approval, it has a total 135 days to obtain necessary project financing. The breakdown of the 135 days is as follows: 45 days to accept the terms of the loan and execute the commitment letter and 90 days to provide the required documentation and close on the loan financing. NJRA's Executive Director may grant two (2) six-month extensions of the 90-day closing date following a written request from the non-profit.

NJRA does not anticipate completing loan disbursement prior to May 13, 2015. Non-profit developers must address significant challenges prior to loan disbursement including providing adequate collateral and securing permanent construction financing. Satisfying the loan requirements often result in delays for the projects. DCA has extended the deadline for disbursement of the funds to May 13, 2016.

Discussion Points (Cont'd)

NJRA anticipates disbursing $2,212,500 by the end of FY2015 and $3,789,000 by the end of FY2016.

The remaining funds have not yet been committed but the Authority is working with the Housing Community Development Network of NJ to allocate all available funds. There is no plan to reallocate Predevelopment Loan funds to any other program.

- ***Question:*** **Does the New Jersey Redevelopment Authority anticipate that 800 units of affordable housing at projects supported by Predevelopment Loan Fund for Affordable Housing will be available by the end of Fiscal Year 2015? If not, please provide an updated projection of the number of units, by county, that will be available by the end of Fiscal Year 2015 and are anticipated to be available during Fiscal Year 2016, respectively.**

NJRA does not anticipate completion of 800 units of affordable housing by the end of FY2015. It is worth noting that the PDLF provides financing for the very early stages of the development process. On average, a typical development will take 24-36 months.

Discussion Points (Cont'd)

27. New Jersey has allocated $50 million in Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to the Sandy Special Needs Housing Fund (SSNHF). If Action Plan Amendment No. 11, which outlines the appropriation of the third tranche of CDBG-DR funds, is approved, an additional $10 million will be allocated to the SSNHF. The SSNHF is dedicated to the development of permanent supportive housing located in the nine counties most impacted by Hurricane Sandy. Managed by the New Jersey Housing and Mortgage Finance Agency, the SSNHF provides loans to for-profit and nonprofit developers for projects that combine rental housing and supportive services. Loan funds can be used to develop permanent supportive rental housing or community residences in which some or all of the units are affordable to low- moderate-income special needs residents. Developers may apply for stand alone financing or for program funding in conjunction with the Low Income Housing Tax Credit Program, tax-exempt bonds, and the Fund for the Restoration of Multifamily Housing. For projects that are 100% special needs housing with a total development cost of over $700,000, the maximum subsidy may not exceed 80% of total development costs. Projects that are 100% special needs housing with a total development cost of $700,000 or less may receive up to 100% financing in the SSNHF subsidy. 75% of SSNHF funding is allocated to households are or below 30% of area median income while 25% of SSNHF funding is allocated to benefit households with 30% and 80% of area median income.

In response to a Fiscal Year 2015 OLS discussion point, the department indicated that it received 33 loan applications for the SSNHF and that 10 loans totaling $12.1 million had been awarded. The NJHMFA also awarded $5.3 million to four additional applicants in projects that received financial assistance from other CDBG-DR programs. The NJHMFA anticipated 182 units to be available in Fiscal Year 2014 and 250 units to be available in Fiscal Year 2015. The CDBG-DR Performance Report for the fourth quarter of 2014 indicates that the 24 projects currently supported by the SSNHF will produce 254 affordable housing opportunities and that nine SSNHF projects are under construction. The "Superstorm Sandy CDBG-DR Dashboard" indicates that approximately $10.889 million has been awarded from the SSNHF while $5.644 million has been disbursed.

- ***Question:*** **Please explain why the SSNHF failed to produce the anticipated number of housing units in Fiscal Years 2014 and 2015, respectively. What number of special needs housing units in Fiscal Years 2015 and 2016, respectively, will be funded with SSNHF monies? What amount of SSNHF monies does the department anticipate will be expended in Fiscal Years 2015 and 2016 respectively? Does the department anticipate making any new funding awards during the remainder of Fiscal Year 2015 and in Fiscal Year 2016? Is the NJHMFA still accepting applications from eligible developers? Does the department anticipate that all SSNHF funds will be expended? If not, why not?**

The HMFA held several workshops for developers, sponsors and social service providers to introduce the program. SSNHF guidelines, however, are more detailed than previous special needs housing programs. The CDBG-DR funding requirements have far more extensive project review and eligibility requirements, most notably the environmental and transfer of ownership requirements. Educating developers and sponsors slowed the development progress significantly while developers became more familiar with the guidelines and amended their applications accordingly.

Discussion Points (Cont'd)

Ninety-nine (99) units of special needs housing will be funded with SSNHF in FY2015.

It is estimated that 80 units of special needs housing will be funded in FY2016 based on the current pipeline.

The Department does anticipate making new funding awards during the remainder of FY2015 and in FY2016. HMFA continually seeks new projects, developers and sponsors in order to fulfill its mandate to provide special needs housing under the Sandy Special Needs Housing Fund. It is currently planning to undertake another round of outreach activities.

The Department anticipates that all SSNHF funds will be expended.

Discussion Points (Cont'd)

28. In May 2011, the Department of Community Affairs (DCA), Department of Human Services (DHS), and the New Jersey Housing and Mortgage Finance Agency (NJHMFA) announced the creation of the Special Needs Housing Partnership Loan Program (SNHPLP). The SNHPLP provides financing to create permanent supportive housing and community residences for individuals with developmental disabilities. Loan proceeds may be used for the acquisition and rehabilitation of existing three- and four-bedroom single-family homes and first floor, three- and four-bedroom condominiums. Other housing arrangements of up to six bedrooms may qualify on a case-by-case basis, after consultation with the DHS Division of Developmental Disabilities (DDD). The program's original stated goal was to create 600 units of special needs housing for persons with developmental disabilities by June 2013.

The Special Needs Housing Partnership Loan Program is supported by monies in municipal affordable housing trust fund accounts. SNHPLP loans will not exceed $125,000 per bed, with a limit of $500,000 per property. Any municipal affordable housing trust fund dollars and DCA/NJHMFA financial contributions are counted towards the $500,000 cap. If total development costs exceed the $500,000 cap, the sponsor may seek additional sources of State (from entities other than DCA and NJHMFA) and non-State funding. According to the program guidelines, the State will match any municipal affordable housing trust fund contributions on a dollar-for-dollar basis up to a maximum of $250,000. If a municipality's affordable housing trust fund is less than $250,000, the sponsor must use other State and non-State funds to match 20% of total development costs.

Projects without any support from municipal or State funds could receive up to 100% financing from the NJHMFA, DCA, and other available sources on a case-by-case basis. These projects will be permitted to exceed the per bed and per property caps. The 100% financing element is limited to projects that will serve individuals leaving the State's developmental centers, in support of the Developmental Center Closure Plan and Olmsted Settlement Plan, as well as projects participating in the Return Home New Jersey initiative. Allocation of this financing may also be limited to projects located in counties that have been determined by the DDD to be a high priority for individuals leaving developmental centers.

In response to a Fiscal Year 2015 OLS Discussion Point, the department noted that 42 municipalities in 14 counties had expressed an interest in the SNHPLP. As of March 24, 2014, 34 municipalities had transferred affordable housing trust fund monies to the NJHMFA. Funding from participating municipalities that signed a memorandum of understanding totaled $15.4 million. Of the total amount of committed State funding, $22.6 million, $12.5 million was committed by the NJHMFA, $9 million was committed by the DCA, and $1.1 million was committed by the DHS. The department also indicated that 40 single-family homes had been purchased at an average cost of $385,000. Each project is allocated approximately $500,000. The department anticipated that the SNHPLP would produce an additional 34 projects with 156 beds, with 68 beds to be completed in Fiscal Year 2014 and 99 beds to be completed in Fiscal Year 2015. The program's funding balance was $17 million.

- ***Question:*** **How many municipalities have agreed to participate in the Special Needs Housing Loan Partnership Program? Please identify each municipality that has committed funding towards the development of supportive housing, and the amount of funding committed by each. What is the total amount of non-CDBG-DR funding committed by the DCA, DHS, and NJHMFA respectively, towards the SNHPLP? How**

Discussion Points (Cont'd)

many homes and condominiums have been purchased? At what total and average cost? What amount of funding is anticipated to be available for the SNHPLP in Fiscal Year 2016?

- 35 municipalities have entered into a Memorandum of Understanding (MOU) with NJHMFA
- 4 municipalities have executed MOU's but funds have not been transferred to NJHMFA
- 31 municipalities, listed below, have transferred Trust Funds to NJHMFA:

Municipality	Amount	Municipality	Amount	Municipality	Amount
Bernards TWP	$ 500,000	Franklin TWP	$ 500,000	Randolph	$ 250,000
Brick	$ 500,000	Hammonton TWP	$ 100,000	Ridgefield	$ 153,071
Bridgewater	$ 750,000	Harmony TWP	$ 250,000	Robbinsville	$ 250,000
Byram TWP	$ 62,500	Jackson TWP	$ 500,000	Roxbury	$ 500,000
Clifton	$ 160,000	Lacey TWP	$ 250,000	South Brunswick	$ 1,000,000
Demarest	$ 250,000	Lincoln Park	$ 100,000	Stafford TWP	$ 400,000
Denville	$ 250,000	Little Egg Harbor	$ 375,000	Summit TWP	$ 250,000
Eatontown	$ 250,000	Metuchen	$ 100,000	Washington TWP	$ 500,000
Edison	$ 720,000	North Brunswick	$ 250,000	Wayne	$ 250,000
Emerson	$ 187,500	Parsippany	$ 2,000,000	West Orange	$ 250,000
				Woodland Park	$ 183,226
			Total:	**$**	**12,041,297**

To date, 48 homes containing 191 bedrooms received loan commitments in the amount of $13,926,141 in Agency financing, $8,212,698 in Municipal Affordable Housing Trust Funds, $1,331,082 in DDD sprinkler system subsidies, and $1,336,130 from other sources.

The total development cost (TDC) for the 48 homes is $25,111,296 with an average TDC of $523,152. The TDC includes acquisition and rehabilitation costs, including fire suppression system installation and full ADA compliance.

Approximately $14.7 million will be available in FY2016. This amount includes the remainder of the DCA / HMFA funding and unallocated Trust Funds committed to the Program.

- ***Question:*** **Please provide a Fiscal Year 2015 and Fiscal Year 2016 spending plan for the SNHPLP, specifying administrative costs, acquisition costs, and rehabilitation costs, respectively. Please provide an updated statement of the number of supportive housing units that were completed in Fiscal Year 2014, and are anticipated to be completed in Fiscal Years 2015 and 2016, respectively. What initial challenges in developing and implementing the SNHPLP prevented the DCA, DHS, and NJHMFA from achieving its initial goal of creating 600 units of special needs housing by June 2013?**

Discussion Points (Cont'd)

The spending plan for FY2015 includes $3.1 million for acquisition and $1.8 million for rehabilitation. The spending plan for FY2016 includes $3.8 million for acquisition and $2.1 million for rehabilitation. The HMFA does not take a fee for administering the program.

FY2014 - 8 homes with 32 beds
FY2015 - 2 homes with 8 beds
FY2016 - 11 homes with 46 beds

Discussion Points (Cont'd)

29. Information available through the New Jersey Housing and Mortgage Finance Agency (NJHMFA) website indicates that the New Jersey Community Housing Partnership Programs were established in association with the Department of Children and Families, and the Department of Human Services. These programs are intended to serve individuals and families seeking affordable housing with supportive services in independent community-based settings and assist project sponsors by providing low-interest financing to develop housing opportunities for these persons. The Supportive Housing Rental Program provides financing to developers for the acquisition of land and the rehabilitation or construction of buildings as permanent rental apartments for persons with special needs. Either the entire community residence or a portion of the housing units will be set aside for populations served by the appropriate department.

- ***Question:*** **Is the Supportive Housing Rental Program a new initiative? If not, when was it established? Please provide, for each year of the program, the total amount of financing committed towards the development of the program. Please identify any non-State sources of funding that are available to developers and municipalities. How many units of supportive housing have been produced? At what average cost? How many units of supportive housing are occupied by eligible program participants? How many supportive housing units does the department anticipate will be completed through this program in Fiscal Year 2015 and Fiscal Year 2016, respectively?**

The Supportive Housing Rental Program is one of four partnership programs with the Department of Human Services established under the New Jersey Community Housing Partnership Programs umbrella. A total of $20.2 million was transferred to the Agency from the Division of Developmental Disabilities (DDD), the Division of Mental Health and Addiction Services (DMHAS), the Division of Youth and Family Services (DYFS, now at the Department of Children and Families), and the Commission for the Blind and Visually Impaired (CBVI).

Discussion Points (Cont'd)

Year	Total Financing Committed by Year
1998	$ 161,737
1999	$ 780,500
2000	$ 1,694,954
2001	$ 638,594
2002	$ -
2003	$ 2,322,110
2004	$ 3,864,600
2005	$ 3,309,221
2006	$ 140,000
2007	$ 1,826,327
2008	$ 800,000
2009	$ 435,000
2010	$ 1,269,884
2011	$ 971,474
2012	$ 174,238
2013	$ 1,000,000
2014	$ 826,786
Total	**$ 20,215,425**

Previously-approved projects included non-state funding sources such as County and Municipal HOME funds, Federal Home Loan Bank funds, Municipal Affordable Housing Trust Funds, US Department of Housing and Urban Development (HUD) funds and Corporation for Supportive Housing (CSH) pre-development funds.

Five hundred (500) beds have been produced. The average cost to develop a unit is approximately $500,000. DHS is responsible for matching the tenant to the housing unit.

Discussion Points (Cont'd)

30. On March 2, 2015, the federal Department of Housing and Urban Development announced the awarding of $150 million in rental assistance to state housing agencies through the Section 811 Project Rental Assistance Program. Section 811 Project Rental Assistance permits persons with disabilities who earn less than 30 percent of area median income to live in affordable housing. According to the HUD press release, state housing agencies and state Medicaid, and Health and Human Services agencies identify, refer, and support target populations of persons with disabilities who require community-based, long-term care services to live independently. This is a collaborative effort between HUD and the federal Department of Health and Human Services. The New Jersey Housing and Mortgage Finance Agency (NJHMFA) was awarded $5.099 million to assist 206 households.

The Section 811 Project Rental Assistance program was created by the "Frank Melville Supportive Housing Investment Act of 2010." Under the program, state agencies that have entered into partnerships with state health and human services and Medicaid agencies can apply for Section 811 Project Rental Assistance for new or existing affordable housing units funded by Low Income Housing Tax Credits, the HOME Program, or other sources of funds. Under the state health care/housing agency partnership, the health care agency must develop a policy for referrals, tenant selection, and service delivery to ensure that housing is targeted towards a population most in need of "deeply affordable supportive housing." Section 811 assistance is provided as project-based rental assistance only. No funds are available for construction or rehabilitation. In addition to meeting the income requirement, one adult member of an eligible household must have a disability.

- ***Question:*** **Please describe any collaborative efforts between the NJHMFA and the Department of Human Services regarding the Section 811 Project Rental Assistance Program. How will eligible program participants be identified? When does the NJHMFA expect to receive applications from eligible program participants? When will the first vouchers be awarded? Will these vouchers be awarded on a first-come, first-serve basis, or will a specific segment of the eligible population (i.e., persons transitioning out of State developmental centers) be granted some preference when vouchers are awarded? How many vouchers does the NJHMFA anticipate will be awarded in Fiscal Year 2016?**

The $5 million federal Section 811 Project-Based Rental Assistance award was made to NJHMFA as a result of a partnership between NJHMFA, DHS and DCA. DCA committed 40 of the 103 state-funded rental assistance vouchers to demonstrate the State's commitment to supportive housing and to strengthen the application, which put a premium on leveraging.

HMFA and the Department of Human Services entered into an Inter-Agency Partnership Agreement ("Agreement") with regard to the Section 811 Project Rental Assistance (811 PRA) program. The Agreement provides that the targeted population to be served by the 811 PRA program are individuals leaving state psychiatric hospitals and developmental centers as well as those at risk of institutionalization.

<u>Project Selection Criteria</u>: Potential units for 811 PRA will be identified in two ways – existing Tax Credit projects will have the opportunity to compete for the higher 50% AMI vouchers and future projects can opt to participate for points for the lower 34% AMI vouchers. In the fall of 2014, projects competing in the CDBG-DR / FRM Tranche 2 application cycle

Discussion Points (Cont'd)

received points for committing to participate in the 811 PRA program. Sixteen (16) out of the 18 projects awarded opted to participate in the program and while not all may be selected for 811 PRA, they are the first to be included in the pool of applicants.

The 811 PRA Inter-Agency Task Force has developed project selection criteria to ensure that the 811 PRA funds are effectively utilized. 811 PRA units will be selected using criteria and point distributions below.

Selection Criteria	Points
Geographic locations reflecting preferences of target population	3
Accessibility of the units	3
Unit mix reflecting need of target population	3
Suitability of project site	2
Access to transportation, employment opportunities and other community integration opportunities	2
Amenities offered in the project	1

NJHMFA expects to receive these applications from eligible program participants in the fourth quarter of 2015. After the Cooperative Agreement with HUD is signed and the final Implementation Plan is enacted, developers of existing and potential Tax Credit projects will be invited to discuss the program requirements. Applications, including an updated financial pro-forma and a brief narrative that describes their enhanced project for people with disabilities, will be accepted once the negotiations are finalized with HUD.

NJHMFA expects to award the first vouchers in the first quarter of 2016. HMFA and DHS anticipate awarding approximately 26 vouchers the first year and 115 vouchers the second year.

Vouchers will be awarded to a specific segment of the eligible population. The Agreement provides that the targeted population to be served by the 811 PRA program will be those who are the subject of the State's Olmstead settlement agreement: patients in New Jersey's psychiatric hospitals or who are at risk of institutionalization. NJHMFA anticipates awarding 26 vouchers in FY2016.

Discussion Points (Cont'd)

31. In September and October 2013, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) received over $300 million in aid from the federally-supported Hardest Hit Fund for a new foreclosure assistance program intended to support homeowners struggling with the effects of the economic recession. The New Jersey HomeKeeper Program provides two types of financial assistance to eligible homeowners. Mortgage Payment Assistance is provided to eligible homeowners who, as a direct result of unemployment or underemployment, are already delinquent on their mortgage payments or are likely to become delinquent within 90 days of their HomeKeeper application. Reinstatement Assistance provides financial support that may be used as a one-time payment to settle mortgage arrearages accumulated during a period of unemployment or underemployment for those who have, by the time of their HomeKeeper application, regained sufficient income to pay all mortgage payments going forward. The maximum HomeKeeper mortgage loan amount is $48,000. Loan proceeds are used to pay existing mortgage arrearages and/or an approved amount of the homeowner's existing mortgage payments each month for a period of time not exceeding 24 months.

In 2013, the NJHMFA sought to use $50 million to make loans to eligible homeowners impacted by Hurricane Sandy to provide a reinstatement, refinancing, recast, or permanent modification of first mortgage loans through a principal reduction and/or reinstatement payment. The agency also sought to allocate $10 million to make loans to qualified applicants for the purpose of funding a portion of the cost of the purchase of eligible first mortgage loans and the payment of eligible administrative costs of the Note Purchase Loan Modification Program. The NJHMFA noted that these initiatives were not pursued because of overwhelming demand for the initial program. The federal Treasury Department denied the State's request to create the Note Purchase program.

In response to a Fiscal Year 2014 OLS Discussion Point, the NJHMFA reported that 34,539 homeowners applied to the New Jersey HomeKeeper Program. Of that total, 12,494 applications had been completed and submitted for underwriting. As of March 24, 2014, 5,465 HomeKeeper Loans had been closed, of which 398 households received Mortgage Payment Assistance, 386 homeowners received Reinstatement Assistance and 4,681 homeowners received a combination of Mortgage Payment Assistance and Reinstatement Assistance. The NJHMFA also provided the following final spending plan for Fiscal Year 2013.

Fiscal Year 2013 Activities	**Amount**
Loan Amount Committed	$129,400,000
Administration, Personnel and Operations	5,200,000
Underwriting and Transaction Related Costs	38,000
Counseling Expenses	4,800,000
TOTAL	**$139,438,000**

According to the HomeKeeper Program performance report for the fourth quarter of calendar year 2014 (October 1, 2014 – December 2014), 13,093 borrowers have applied for assistance through the HomeKeeper program; 5,996 borrowers are receiving assistance while 6,928 borrowers were denied assistance, and 36 applications were pending review. The State has provided approximately $205.7 million in assistance and expended $22.5 million on administrative support, outreach, and counseling. During the Fiscal Year 2015 budget process, the NJHMFA indicated that it anticipated spending $50 million to support 1,250 HomeKeeper

Discussion Points (Cont'd)

Loans in Fiscal Year 2014. The NJHMFA website indicates that all program funds have been committed or are in the process of being committed. As of November 30, 2013, no new applications for HomeKeeper assistance were being accepted.

- ***Question:*** **Please provide a final Fiscal Year 2014 spending report and Fiscal Year 2015 and 2016 spending plans for the New Jersey HomeKeeper Program. As of March 31, 2015, how many homeowners have applied for HomeKeeper assistance? How many homeowners have received Mortgage Payment Assistance and Reinstatement Assistance, respectively? What amount of HomeKeeper assistance has been repaid? Is the NJHMFA permitted to use any repaid loan monies as "second generation" funds to support new HomeKeeper loans? When does the NJHMFA anticipate that all HomeKeeper funds will be expended?**

Final Spending Report FY 2014	
Loan Amount Committed	$ 30,417,983
Administration, Personnel and Operations	$ 1,767,762
Transaction Related Cost	$ 531,252
Counseling Expenses	$ 763,992
Total	**$ 33,480,989**

Spending Plan FY 2015	
Loan Amount to be Committed	$ 11,500,000
Projected Loans	275

Spending Plan FY 2016	
Projected Loan Amount to be Committed	$ 9,500,000
Projected Loans	250

As of March 31, 2015 there have been 13,093 applicants for assistance to the New Jersey HomeKeeper program.

Qualified HomeKeeper borrowers can receive Mortgage Payment Assistance (MPA), Arrearage/ Reinstatement Assistance (AA) or a combination of Mortgage Payment Assistance with Arrearage Assistance (MPAWAA). As of March 31, 2015, the HomeKeeper program has assisted 6,000 borrowers – 419 MPA; 426 AA; 5,155 MPAWAA.

There has been approximately $1.9 million in lien satisfaction recoveries through March 31, 2015. All lien recoveries can be recycled back into New Jersey's Hardest Hit Fund program for future allocations.

A second foreclosure prevention program is scheduled to launch in June, 2015. HMFA anticipates that all funding in the Hardest Hit Fund will be committed by December, 2017.

Discussion Points (Cont'd)

32a. On October 7, 2014 the Office of the State Auditor (OSA) released an audit report of the Division of Codes and Standards and the Division of Fire Safety. The scope of the audit report included financial activities accounted for in the State's General Fund, New Home Warranty Security Fund, Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund, Volunteer Emergency Service Organizations Loan Fund, and Boarding House Rental Assistance Fund. The audit concluded that financial transactions related to the divisions' programs were reasonable and were properly recorded in the State's accounting systems. The auditors also concluded that inspections were done properly and in timely manner. The report also noted certain compliance issues "meriting management's attention."

The audit report noted that the Division of Codes and Standards has a backlog of various required inspections. State law requires the division to perform annual physical and social inspections of most boarding homes. According to the audit report, a social report includes a review of programmatic service requirements, staffing, dietary requirements, and the management of funds. The OSA review found that 147 of 757 (19%) Class A boarding homes had not had a physical inspection performed within 13 months. A review of division reports found that 9 of 140 (6%) Class B, C, D, and E boarding homes did not have a physical inspection performed and 10 of 140 (7%) homes did not have a social inspection performed within 13 months. The division is required to inspect all homeless shelters and health care facilities but the statutes do not specify how often these inspections should be performed. The OSA review of division reports found that 15 of 133 (11%) homeless shelters did not have a physical inspections and a social inspection within 13 months. The audit report also noted that 9 of 77 (12%) of residential health care facilities did not have a physical and social inspection within 13 months.

The New Jersey Administrative Code requires the Division of Codes and Standards to inspect all small liquefied petroleum gas (LPG) facilities annually. A small LPG facility has a liquid withdrawal of any size up to 9,999 gallons or vapor withdrawals of between 2,000 and 9,999 gallons. The OSA review found of division reports found that 153 of 976 (16%) small LPG tanks were not inspected in calendar year 2013. Of 153 tanks not inspected, 79 were not inspected in 2012. The OSA noted that small LPG tanks that are not inspected annually can result in unsafe working conditions and could be a danger to individuals in the vicinity of the tanks.

In its response to the audit report, the department noted that it "makes every attempt to inspect liquefied petroleum gas (LPG) facilities and Rooming and Boarding Houses within the appropriate time frame." The department also state that it has brought on additional staff to assist in completing the LPG inspections. The division has established a field procedure that facilitates the sharing of information between its teams of physical and social inspectors that allows inspectors to "more readily identify potentially problematic facilities and initiate inspections time based on the risk factors present."

- ***Question:*** **Please describe the Division of Codes and Standard's on going efforts to reduce the backlog in LPG and Rooming and Boarding House Inspections. How many additional inspectors have been hired to perform LPG inspections? At what cost? Is the current amount of revenues raised by the assessment levied on liquefied petroleum gas sufficient to support the costs of the current inspection program and the department's responsibilities under P.L.1999, c.109? If not, what other sources of funds have supported the division's LPG inspection program?**

Discussion Points (Cont'd)

The Division believes its current complement of three (3) field inspectors is the proper level needed to address the current backlog.

The average cost of an inspector for the LP Gas program is approximately $125,000 per year. The current amount of revenues raised by the assessment levied on LP Gas is sufficient to support the current costs of the program.

In response to the State Auditor's findings for rooming and boarding house inspections, the Division conducted its own review of the statistics. Each facility (other than rooming houses for which there is no resident care component) is subject to both a physical and a social evaluation annually. Re-inspections are performed, as needed, to verify that any violations cited have been abated. The Division has established a field procedure to facilitate the sharing of information between physical and social evaluators. The implementation of this procedure has allowed inspectors to identify potentially problematic facilities more readily and to initiate inspections based on this information. Aggregating the dates of inspections and re-inspections in both categories gives a more accurate picture as to whether an inspection has been performed at a given facility. Additionally, the database has been updated to remove facilities no longer under our jurisdiction (those that are vacant or have been demolished or converted to another use.) Current figures show that inspections are timely at 92.89 percent (679 of 731) of the rooming houses and at 97.14 percent (136 of 140) of the boarding homes. Inspections are timely at 98.65 percent (73 of 74) of the residential health care facilities. Homeless shelters lag somewhat at 82.11 percent (101 of 123 facilities) due to the fact that inspections can be conducted only when the shelter is in use. The Division hopes to make the Department's electronic Registration Inspection Management System (RIMS) field inspection software available to the Bureau of Rooming and Boarding House Standards in FY2016.

Discussion Points (Cont'd)

32b. The State Auditor's report also found that the Division of Codes and Standards had $33.5 million in receivables, as of July 30, 2013, that the division considers uncollectable. Some of this debt has been on the division's records for as long as 30 years and 97% of its current bad debt has a judgment attached to it. The OSA report noted that the division was currently analyzing its records to verify the uncollectibility of this debt in accordance with State policies regarding the collection and write-off of non-tax debt. At the time of the audit, the Division had forwarded approximately $500,000 in receivables to the Division of Revenue and Enterprise Services (DORES) in the Department of the Treasury to be written off. The audit report noted, "The failure to write off receivables in the past was due to incomplete recordkeeping and a lack of understanding of the applicable Department of the Treasury guidelines." The State Auditor recommended that the division continue to analyze its records and forward the remaining uncollectible portion of the $33 million to DORES in compliance with State guidelines.

In its response to the audit report, the division noted that the Division of Codes and Standards has taken necessary steps to enforce debt collection procedures in accordance with State policy. The department also stated that its Records Inspection Management System (RIMS) will automate the process by which the division transmits debt data to the State Treasury for collection. When appropriate, the department will work with the State Treasury to write-off uncollectible debts.

- ***Question:*** **What is the current amount of uncollectible debt that is owed to the Division of Codes and Standards? What amount of uncollectible debt has been forwarded to the State Treasury to be written off? Please describe the department's current efforts to secure payment of debt before and after a judgment is entered in the State's favor. Has the department considered offering long-term debtors an amnesty as a means of encouraging them to pay any amounts owed to the division?**

The current amount of uncollected debt owed to the Division of Codes and Standards is $34.9 million. As noted, much of the debt is older than ten years. To date, $552,060 has been written off. In mid-February, the names of the property owners who account for $2,328,413 in uncollected debt were submitted to the Division of Revenue's Cross-Agency Collection and Services Bureau.

Failure of a property owner to abate code violations results in monetary penalties. Often, in order to gain compliance we will offer to reduce the penalty to ensure that buildings are made safe and sanitary. However, once it becomes evident that an owner is failing to make repairs, the policy is to file a judgement for penalties due in Superior Court, which allows for a rent levy. Once judgment is filed, and rent levy efforts are infeasible or exhausted, the debt is transferred to the state's contracted collection agency through the Division of Revenue's Cross-Agency Collection and Services Bureau and/or to the Division of Revenue's Single Offset Liability program.

Discussion Points (Cont'd)

33. P.L.2011, c.229 appropriated $7,403,340 from the Urban and Rural Centers Unsafe Buildings Demolition Bond Fund to implement a third round of funding under the "Urban and Rural Centers Unsafe Buildings Demolition Bond Act," ("Act") P.L.1997, c.125. The Act authorized the issuance of bonds in the amount of $20 million, the proceeds of which are to be used to finance the demolition and disposal of unsafe buildings in urban and rural areas. Voters approved the sale of the bonds at the general election held on November 2, 1997. The Act requires the Commissioner of Community Affairs to establish criteria for the approval of projects eligible for loans. A priority list was prepared based on the needs set forth in requests received from affected municipalities, agencies, and authorities. The commissioner gave priority to those projects that involve the demolition and disposal of an unsafe building as a prerequisite to the approved erection of a new building or that pose an imminent and extreme hazard to the health and safety of the community.

Section 1 of the Act requires that the loans shall be for a term not to exceed 20 years, at an interest rate not to exceed four percent annually and upon such terms and conditions determined by the Commissioner of Community Affairs and the State Treasurer. Loan payments and all appropriated funds not expended within the time period allowed under program rules are returned to the Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund. The demolition program is overseen by the Division of Codes and Standards. The chart below lists those municipalities that received funding pursuant to P.L.2011, c.229 and is updated to reflect the withdrawal of four municipalities[4] from the program following the appropriation of funds.

Municipality	Amount of Funding
Belleville Township	$ 600,000
Camden City	$2,000,000
Irvington Township	$ 923,240
Millville City	$ 60,000
Orange City	$ 325,000
Pleasantville City	$ 174,000
Vineland City	$ 100,000
TOTAL	**$4,182,240**

During the Fiscal Year 2015 budget process, the department indicated that 51 buildings had been reported demolished and that three municipalities, Camden City, Millville City, and Vineland City had submitted requests for reimbursement. The department noted that poor weather conditions required that some demolition projects be delayed and that a new request for proposals would "shortly be issued."

- ***Question:*** **Of the amount appropriated by P.L.2011, c.229, what is the total amount expended, by municipality, for the demolition of unsafe buildings? How many buildings have been demolished? What is the total amount remaining for the demolition of unsafe buildings? Has the department issued a new request for**

[4] The following municipalities withdrew from participation: Clifton City ($210,000), Hackensack City ($20,000), Rahway City ($218,000), and Trenton City ($2,773,100). These monies were returned to the Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund.

Discussion Points (Cont'd)

proposals? If so, please identify those municipalities that submitted proposals. Has the department identified which proposals should be funded? If not, when does the department expect to do so? When does the department anticipate requesting additional Legislative appropriations from the Urban and Rural Centers Unsafe Buildings Demolition Revolving Loan Fund?

Under PL 2011, c. 229, the Legislature authorized the Department of Community Affairs to issue $7,403,340 in loans to 11 municipalities under Round 4 of the Urban and Rural Centers Unsafe Building Demolition Bond Loan Program ("Demolition Bond Loan Program"). Of the 11 municipalities approved for funding, four (4) municipalities (Clifton, Hackensack, Rahway, and Trenton) subsequently withdrew from the program, reducing the loan awards to $4,182,240. Belleville has also communicated its intention to withdraw from the program. Belleville's loan award of $600,000 will be unencumbered and returned to the Demolition Bond Loan Fund. Once the $600,000 is returned to the Fund, the active loans under Round 4 will total $3,582,240. The following chart lists the active loans by municipality along with the total reimbursements made to date, loan balances, and the number of buildings demolished (based on reimbursements paid to date).

Municipality	Amount of Loan Award	Total Reimbursement	Loan Award Balance	Buildings Demolished[1]
Camden	$2,000,000	$706,580	$1,293,420	97 [2]
Irvington	$923,240	$0	$923,240	-
Millville	$60,000	$60,000	$0	4
Orange Twp.	$325,000	$0	$325,000	-
Pleasantville	$174,000	$98,743	$75,257	2
Vineland	$100,000	$81,850	$18,150	3
Totals	$3,582,240	$947,173	$2,635,067	106

1 - Numbers are based on reimbursement requests submitted by the municipalities and paid to date. The number of buildings demolished could be higher depending upon pending and future requests for reimbursement.

2 - 47 of the 97 buildings are pending reimbursement. The total reimbursement requested is $914,110.

Participating municipalities will be contacted shortly to determine whether additional reimbursement requests will be forthcoming. As unused funds have been returned to the Demolition Bond Loan Fund and therefore available to support a new round of loans, program staff will take the steps necessary to offer a new round of loans.

Discussion Points (Cont'd)

34. During Hurricane Sandy, numerous structures were knocked off their foundations, left in a state of dilapidation or disrepair, or became a fire hazard or a danger to public health or welfare. The remediation of threats posed by unsafe structures is the responsibility of property owners and municipal officials. In many cases, property owners have taken steps to remediate or demolish Sandy-impacted structures. Some municipalities established programs where, with the consent of the property owner, the municipality incurs all demolition costs, provided the structure being demolished is being considered by the Federal Emergency Management Agency (FEMA) to be in "imminent danger of partial or total collapse." Through its Private Property Debris Removal Program (PPDR), FEMA reimburses the municipality for 90% of eligible costs incurred for demolition.

Despite these efforts, a number of unsafe structures require attention. Many of these structures are vacant or abandoned and the methods initially used to address Sandy-impacted unsafe structures (i.e., remediation or demolition by the property owner or PPDR-eligible demolition by the municipality with property owner consent) are unavailable. To assist municipalities with their recovery efforts, New Jersey reserved $25 million in CDBG-DR funds for the Unsafe Structures Demolition Program. The Unsafe Structure Demolition Program was formally established by Executive Order No. 152 (E.O. 152) The Unsafe Structures Demolition Program provides funding to State agencies to identify structures in need of demolition, demolish unsafe structures, remove debris, and perform any additional activities or address other costs ancillary or related to demolitions. Eligible properties must have been damaged by Hurricane Sandy and identified as an "unsafe structure" by the Division of Codes and Standards.

E.O. 152 establishes the process that the DCA and property owners must follow after the DCA determines that a structure is eligible for demolition. The order also sets forth notice requirements, permits the property owner to accept or challenge the determination that a structure is eligible for demolition, and establishes a process for challenging the department's findings. Before performing a demolition without consent of the property owner, the DCA must obtain a qualified, independent appraisal of the Sandy-impacted eligible structure. The DCA is required to notify the property owner, at least 10 calendar days prior to the appraisal, of the intended entry into the structure for purposes of performing the appraisal. An appropriately qualified individual must review competing appraisals and that review is binding on the DCA. The New Jersey Department of the Treasury is authorized to enter into contracts necessary for the demolition Sandy-impacted eligible structures identified by the DCA. E.O. 152 permits the DCA or a municipality to work with a property owner to secure an understanding whereby the property owner agrees to reasonably address the condition of a Sandy-impacted eligible structure within a reasonable period of time.

- ***Question:*** **How many demolitions of unsafe structures does the department anticipate will be accomplished in Fiscal Years 2015 and 2016, respectively? At what average cost? Has the department awarded contracts to demolition firms for work performed under this program? If so, please identify each firm that has been awarded a contract and the amount of the contract, respectively. How many unsafe structure determinations were challenged? How many challenges have been decided and how many are pending review by the Commissioner? Has the Treasury Department awarded any contracts for the appraisal of Sandy-impacted eligible structures? If so, how many appraisals have been performed? At what average cost?**

Discussion Points (Cont'd)

This program was conceived and developed later than most other CDBG-DR programs as it became clear that the cost of demolition was beyond the reach of some owners and some municipalities. Therefore, while it is possible that the first demolitions will take place in late spring, the bulk of demolitions will take place in FY2016. The average cost of a demolition is estimated to be $30,000 based on the costs incurred by the Blue Acres program.

DCA will not be awarding the demolition contracts. That is a function of the Division of Property Maintenance and Construction (DPMC) in the Department of Treasury. Treasury has contracts with six (6) engineering firms for the preparation of the design and specifications of the demolition projects. Contractors that have been pre-qualified by Treasury will then bid for the actual demolitions. None of the Department's unsafe structure determinations have been challenged nor does the Department anticipate challenges. The program is entirely voluntary; no property will be demolished without the consent of the property owner. Moreover, the response from the municipalities and from homeowners who have contacted the Department has been very positive.

There is no need for appraisals in this program.

Discussion Points (Cont'd)

35. The State has allocated a total of $11 million from the first two rounds of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds to support code enforcement and zoning initiatives. The Division Codes and Standards is authorized to use a portion of these funds to hire temporary personnel to assist the State and municipalities in providing an effective response to emergent situations caused by Hurricane Sandy. Following the storm, the division announced that it received approval to employ temporary building, electrical, and plumbing code officials to assist in the provisions of emergency code inspections as they relate to damage caused by Hurricane Sandy. According to the Division's announcement, temporary code officials would be hired on an hourly basis and paid a rate between $37.02 per hour and $45.11 per hour, based on licensure. Temporary code inspectors were placed throughout the State.

During the Fiscal Year 2014 budget process, the department reported that the Division of Codes and Standards hired 50 temporary employees immediately after Hurricane Sandy to help with the provision of emergency inspection services. These employees were deployed to the field beginning on October 29, 2012. Beginning March 1, 2013, the division shifted its focus towards supplementing normal code enforcement to "...ensure that any construction or rehabilitation of structures of meets the requirements of the State Uniform Construction Code." The Division projected that this additional code enforcement work would continue for 3 years, with 60% of the work performed in the first year and 20% performed in the second and third years. The division planned to offer full-time employment to temporary employees on an interim basis to meet code enforcement needs. Although temporary employees' hourly wages would be paid by revenues generated through the collection of fees pursuant to the Uniform Construction Code, the department noted "...those costs incurred by the Division during the response phase for temporary employees' wages (regular and overtime hours)...are reimbursable under the FEMA Public Assistance Program.

In response to a Fiscal Year 2015 OLS Discussion Point, the department indicated that, as of March 21, 2014, the Division of Codes and Standards had 45 hourly codes officials and 3 full-time codes officials available to assist municipalities. The division anticipated that the additional staff would bee needed for at least 2 years.

- ***Question:*** **How many temporary code inspectors are still employed by the Division of Codes and Standards? How many temporary code inspectors have been offered full-time employment? Does the division anticipate that it will need to utilize temporary staff for the full two-year period as indicated in 2014? What is the total amount of CDBG-DR funds expended for this purpose in 2013 and 2014, respectively? How much has been expended in 2015? What amount of CDBG-DR funds does the Department anticipate will be expended to support temporary code inspectors in 2015 and 2016, respectively?**

The Division currently has 22 temporary code inspectors who can be assigned, as needed, to fulfill Sandy-related inspection requests from municipalities in the nine Sandy impacted counties. Staff continually monitors the volume of inspection requests to determine the number of inspectors needed per week in a given municipality. The Division has hired five (5) part-time inspectors into full-time positions. Of the five (5), three (3) joined the Sandy Code Enforcement program and the other two (2) were absorbed elsewhere in the Division. The Department expended $3,391 in FY2013, $1,704,542 in FY2014, and $1,027,649 year-

Discussion Points (Cont'd)

to-date in FY2015. The Division anticipates another $350,000 in expenses for the last quarter in FY2015. The total expenditure is estimated to be $1,378,246 in FY2015 and $1,400,000 in FY2016.

Discussion Points (Cont'd)

36. $3 million of the $11 million in Community Development Block Grant –Disaster Recovery (CDBG-DR) funds allocated for the code enforcement and zoning program has been reserved to provide financial support to municipalities for salaries and overhead related to the enforcement of State and local development and zoning code regulations. Funds awarded through the Zoning Code Enforcement Grant Program are intended to help municipalities meet the increase in demand for permits and inspections, and respond to an anticipated increase in local inquiries. Funding awards must be used to attend to areas that have begun to deteriorate and where reconstruction will arrest further decline. Program eligibility is restricted to municipalities located in the nine counties most impacted and distressed by Hurricane Sandy that: 1) reduced assessments pursuant to N.J.S.A.54:4-35.1[5] on 100 or more properties after Hurricane Sandy; or 2) have seen 10% increase in zoning application filings since November 1, 2012 that can be ascribed to Hurricane Sandy. This program is administered by the Office of Local Planning Services.

This program will operate for a maximum of two years. Individual grant awards will be for a term of 12 months and are limited to $60,000 in a 12 month period. Municipalities are permitted to use these funds to extend the hours of existing staff up to the normal, full-time workday, hire additional technical and administrative staff, procure experts, if necessary, for zoning application hearings, enter into operating leases for equipment, and pay for additional office space, if needed, to expedite local reconstruction of deteriorating properties in areas impacted by Hurricane Sandy. Grant funds may be used to either pay the salaries of municipal employees or to procure staff from private firms on a temporary basis to allow code offices to operate more efficiently but they may not be used to pay overtime. Grant applications will be reviewed on a rolling basis. Applications will be accepted after the first 12 months for a second round of funding if funds allocated to the program have not been exhausted. Grant awards will be processed in the order that application evaluations are completed until such time as program funds are fully committed.

If a municipality does not meet the reduced property assessment criterion, it must provide evidence that it experienced or will experience at least a 10% increased in zoning applications as a result to damage to homes and businesses caused by Hurricane Sandy by submitting data on the number of zoning applications pending as of the date of the grant applications and the percentage increase in zoning applications estimated to be filed in the next calendar year. Applicants must also explain how they intend to use grant funds to efficiently meet the projected increased demand for approval of reconstruction and renovation plans that are vital to recover from damage caused by Hurricane Sandy. The application must also include a 12-month budget that includes projected expenditures for increased salaries, employee benefits, consulting fees, and additional facilities that would be supported by the grant. If a municipality is approved to receive a grant, it must submit a resolution to DCA, adopted by the governing body, agreeing to comply with all CDBG-DR regulations prior to the execution of a grant agreement.

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[5] Under current law, a municipal assessor must assess a parcel of real property as that real property exists on October 1 of the pretax year. Section 1 of P.L.1945, c.260 (C.54:4-35.1) permits a municipal assessor, after having received written notice from a taxpayer, to utilize the assessing date of January 1 to adjust assessments to properties that have been materially depreciated as a result of a disaster that occurs between, but not including, October 1 and January 1.

Discussion Points (Cont'd)

According to the CDBG-DR Performance Report for the fourth quarter of 2014, approximately $152,000 has been expended to assist 5 municipalities with zoning code enforcement efforts: Brick Township, Lavallette Borough, Little Egg Harbor Township, Toms River Township, and Union Beach Borough. The report also notes that the department anticipates receiving applications for reimbursement from 7 additional municipalities: Highlands Borough, Keansburg Borough, Little Silver Borough, Sea Bright Borough, Seaside Park Borough, Stafford Township, and West Wildwood Borough. Although $3 million has been allocated for the Zoning Code Enforcement Grant Program, only $545,000 has been obligated so far.

- ***Question:*** **What amount of Zoning Code Enforcement Grant funds does the department anticipated will be expended in Fiscal Year 2015 and Fiscal Year 2016, respectively? Is the department still accepting applications from eligible municipalities? Will the department consider increasing the $60,000 award limit if a municipality demonstrates a need for continued assistance? Does the department anticipate that the all Zoning Code Enforcement Grant funds will be expended? If not, why not?**

The Department anticipates expending $927,062 in FY2015 and $1,502,577 in FY2016.

The Department is still accepting applications from eligible municipalities and has increased the award limit to $100,000 with the possibility for additional funding if that amount is expended prior to the one-year term.

We anticipate that the increase in the award to $100,000 will encourage greater participation and utilization by various municipalities.

Discussion Points (Cont'd)

37. On May 2, 2014, the federal Department of Housing and Urban Development approved Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan Amendment No. 6. Among other things, Action Plan Amendment No. 6 transfers $5 million to support the implementation of a Lead Hazard Reduction Program. The amendment indicates that homes targeted for lead hazard reduction will be homes impacted by Hurricane Sandy. The Department of Community Affairs (DCA) noted that flooded homes built prior to 1978 are more likely to experience increased lead and other health hazards. Community-based organizations and units of local government with experience in administering lead hazard and/or weatherization programs will be permitted to apply for funding. Eligible program activities include the assessment of lead based paint hazards in pre-1978 housing that contains one to seven residential units and the remediation or reduction of lead paint hazards in residential housing units. A "Notice of Funding Availability" issued by the department on August 27, 2014 provides, "DCA may elect to allow other moderate levels of repair to occur in combination with the lead paint, including addressing other environmental hazards, such as mold, as well as other ancillary costs to performing the work."

Applicants must demonstrate that they have the resources and capacity necessary to deliver the Lead Hazard Reduction Program including, but not limited to perform community outreach, applicant intake and processing, risk assessments, contractor selection and contract award activities, relocation and case management of relocated occupants, and project monitoring. Successful applicants are required to file quarterly progress reports with the department. Applicants were due to the DCA Division of Housing and Community Resources by September 22, 2014 and applicants were to be notified on or about the week of October 1, 2014. The maximum grant award is $25,000 per unit, which includes up to $10,000 for relocation. There is no cap on the maximum amount awarded to any single applicant. The grant term is from October 1, 2014 to May 31, 2016. The CDBG-DR Performance Report for the fourth quarter of 2014 indicates that the DCA completed its review of four applications and recommended three that three applications be finalized. These applicants will manage the Lead Hazard Reduction Program in Highlands Borough, Hudson County, and Atlantic & Cape May Counties. The report noted that the State is reexamining ways to meet lead hazard abatement needs in Monmouth and Ocean Counties because no eligible applications to manage the program in those areas were received.

- ***Question:*** **How many owner-occupied and renter-occupied housing units, respectively, have been abated of Lead Hazard Reduction Program in Fiscal Year 2015? How many units does the department anticipate will be abated in Fiscal Year 2016? Please provide an update regarding the department's efforts to recruit potential applicants in Monmouth and Ocean Counties.**

The program's official grant start date was changed from October 1, 2014 to January 1, 2015 due to the lack of responses in the initial release of the Notice of Funding Availability (NOFA). A second NOFA, whose closing date was November 21, 2014, drew four (4) responses. Three (3) grants were executed in February, 2015. Marketing and outreach are on-going.

The LHRP anticipates completing approximately 90% of the projected number of units to be assisted in FY2016.

Discussion Points (Cont'd)

The LHRP has awarded $1 million to Community Affairs and Resource Center (CARC) in Monmouth County to assist 40 units and $1 million to Ocean Community Economic Action Now, Inc. (OCEAN, Inc.) to assist 40 units.

Discussion Points (Cont'd)

38. On September 12, 2013 a large fire destroyed the boardwalks and Funtown Pier located in the Boroughs of Seaside Heights and Seaside Park. Various news sources reported that it took 400 firefighters almost nine hours to contain the fire, which devastated several dozen businesses. On September 17, 2013, the Ocean County Prosecutor's Office announced that its Fire Investigation Task Force concluded that the causes of the fire were related to an electrical malfunction and ruled out any human involvement. According to a press release announcing the task force's findings, "...a failure of energized electrical equipment and wiring located under the board walk (sic) and sub floor of the originating structures compromised by Sandy flood waters contributed to the fire." It was also reported that the electrical wires under the structure were completely inaccessible for inspection.

On September 16, 2013, the *Bergen Record* reported that the federal Department of Housing and Urban Development had advised the State that it could use CDBG-DR funds intended to support Hurricane Sandy recovery efforts to provide grants to businesses affected by the fire and fire debris removal. The minutes of a special meeting of the New Jersey Economic Development Authority (EDA) held on September 18, 2013, indicated that the EDA approved the expenditure of up to $5 million of federal CDBG-DR funds allocated to the "Stronger NJ Neighborhood and Community Revitalization Program" for demolition and the removal of debris and structures in the Boroughs of Seaside Heights and Seaside Park. The minutes also indicate that, based on the "initial needs identified" the EDA expected to advance $10 million through its CDBG-DR business grant and loan programs.

In response to a Fiscal Year 2015 OLS Discussion Point, the department indicated that it had received 35 applications from businesses located in the fire-impacted areas; 29 businesses applied for grants while 6 businesses applied for loans. The department noted that the Stronger NJ Business Grant Program requires that businesses have a plan that includes where they will reopen and that many businesses were awaiting decisions from municipalities, landlords, and property owners as to their plans for rebuilding, including their location. The department also stated that it was waiting to receive the full report from the Ocean County Prosecutor before making any recommendations for changes to the Uniform Construction Code or Uniform Fire Code.

- ***Question:*** **What amount and sources of CDBG-DR funding were expended for the rebuilding of the boardwalk in Seaside Heights and Seaside Park? What amount and sources of CDBG-DR funding were expended to provide grants and loans to business damaged by the fire? Of the businesses that received grants and loans, how many received assistance through other CDBG-DR programs? Has the department received the final report from the Ocean County Prosecutor? Has the Department proposed any changes to the Uniform Construction Code or Uniform Fire Code based on the county prosecutor's findings? If so, please summarize the proposed changes.**

Following the fire in Seaside, the New Jersey Economic Development Authority (the "NJEDA") was tasked with providing assistance for the demolition and debris removal of the Seaside Boardwalk and impacted businesses. To date the NJEDA has approved $14,611,953 for the recovery of Seaside through their various CDBG-DR programs.

The NJEDA through the Stronger NJ Neighborhood and Community Revitalization (the "NCR") program has expended $4,523,100 to assist in the debris removal and demolition of

Discussion Points (Cont'd)

the boardwalk in Seaside. These funds were issued as grants and have been released to Seaside Park and Seaside Heights for $2,171,217 and $2,351,883, respectively. In addition, businesses impacted by the fire were encouraged to apply for assistance through the Stronger NJ Business Grant and Loan programs utilizing CDBG-DR funds.

To receive assistance under the Stronger NJ Business Grant Program (the "Grant Program"), applicants must demonstrate that they sustained at least $5,000 in Superstorm Sandy related physical damage. As of April 10, 2015, 59 cumulative businesses in Seaside Park and Seaside Heights have been approved for grant funding totaling $3,699,823. Of these approvals, seven (7) businesses, which were directly impacted by both Superstorm Sandy and the Boardwalk fire, were approved for $404,796.

Similar to the Grant Program, the Stronger NJ Business Loan Program's (the "Loan Program") applicants must demonstrate physical damage or show a community revitalization (i.e. job creation or retention) within the nine most impacted counties as defined by the March 5, 2013 Federal Register Notice. This funding is through low-interest loans that offer 0% interest and no principal payments for up to the first two (2) years. As of April 10, 2015, eight (8) cumulative businesses in Seaside Park and Seaside Heights have been approved for loans totaling $6,389,030. Of these businesses, one (1) was directly impacted by both Superstorm Sandy and the boardwalk fire and received a working capital and construction loan for $1,131,493.

To be eligible to receive CDBG-DR funds, the US Housing and Urban Development ("HUD") requires that businesses first exhaust other means of financial support (e.g. insurance, SBA loans, other CDBG-DR funding, etc.) to avoid a duplication of benefit. In order to document this funding of last resort, the NJEDA asks the businesses to disclose all disaster-related funding sources as well as sign a subrogation agreement, which states that any additional disaster-related funding must be disclosed to the NJEDA to determine if a duplication of benefit has occurred. To date, all approved businesses above have not indicated that other CDBG-DR funding has been received.

The NJEDA is in possession of the September 17, 2013 "Fire Investigation Team Release Boardwalk Fire Findings" from the Ocean County Prosecutor's Office, which referenced the "Sandy flood waters" as a contributing factor to the electrical failure in the subflooring of the structures where the fire initiated. At this time the NJEDA is not in receipt of any additional information.

The New Jersey Department of Community Affairs ("DCA") does not plan to change the Uniform Construction Code or Uniform Fire Code as a result of the County Prosecutor's findings.

Discussion Points (Cont'd)

39. The Low Income Home Energy Assistance Program (LIHEAP) provides federal funds to states, primarily to help low-income households pay home energy expenses. To be eligible for LIHEAP benefits in New Jersey, the applicant household must be responsible for home heating or cooling costs, either directly or through their rent, and have a gross income of 200% or less of the federal poverty level. Pursuant to N.J.A.C.5:49-2.2 and the LIHEAP State Plan, persons who live in public housing and/or receive rental assistance are not eligible for LIHEAP unless they pay their own heating or cooling costs directly to the fuel supplier. The amount of the LIHEAP benefit varies according to income, household size, fuel type, and heating region. Cooling assistance is available to households in which at least one member has a medical condition, verified by a doctor's note, which would require cooling. The medically necessary cooling benefit is set by the State at $200 for Federal Fiscal Year 2015 (October 1, 2014 – September 30, 2015).

The Fiscal Year 2016 Budget anticipates LIHEAP expenditures of $105 million, with an average assistance payment of $350 per household. N.J.A.C.5:49-3.1 provides, in part, "Certain households eligible for food stamps will receive automatic LIHEAP payments based on the information regarding income, household size, heating arrangement, and fuel type contained in computer records maintained by the Division of Family Development (in the Department of Human Services). The household must have a current monthly income which is less than or equal to the program's standards. Households which are primarily responsible for fuel costs associated with residential heat shall receive a benefit based on the appropriate benefit level for the household's size, income, fuel type, and heating region."

The most recent federal farm bill, the "Agricultural Act of 2014," (Pub.L.113-79) changed federal law regarding the "heat and eat" program. Prior to July 1, 2014, the State provided a nominal energy assistance payment of $1, which, in turn, allowed them to qualify for a higher amount of benefits under the Supplemental Nutrition Assistance Program (SNAP). The State is now required to provide a minimum annual energy assistance benefit of $20 for a household to qualify for a SNAP standard utility allowance. The Executive terminated the "heat and eat" program effective July 1, 2014 and affected households have begun to see benefit reductions as their eligibility is re-determined.

- ***Question:*** **What is the rationale for exempting from LIHEAP households in public housing whose utilities are included in their rent? How many households are affected by this exemption? If this exclusion were eliminated, would the department incur significant additional costs to verify that the households have qualifying energy costs? How might it be possible to encourage the operators of subsidized housing to provide separate bills for utilities and rent?**

Federal regulations prohibit LIHEAP assistance to households residing in public housing unless the tenants make "out-of-pocket payments for utility bills". Therefore absent a change in federal policy LIHEAP benefits cannot be extended to these households.

- ***Question:*** **How many households received the $1 nominal energy assistance payment and resulting additional SNAP benefits prior to the termination of the "heat and eat" program? To date, how many households have seen a reduction in SNAP benefits as a result of the program's termination? Of those households, how many are**

Discussion Points (Cont'd)

excluded because their utility bills are included in their rent? (Please coordinate a response with the Department of Human Services as appropriate.)

Prior to the implementation of revisions under the 2014 Farm Bill, 292,000 households received the $1 LIHEAP benefit. Approximately 150,000 of the 292,000 households received additional SNAP benefits as result of the nominal LIHEAP benefit.

Discussion Points (Cont'd)

40. Established in 2013, the Sandy Recovery Division is responsible for the overall management of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds distributed to New Jersey by the federal Department of Housing and Urban Development. Personnel data on page D-47 of the Fiscal Year 2016 Budget show that the division's staff increased from 23 filled positions in Fiscal Year 2014 to 64 filled positions in Fiscal Year 2015. The Executive recommends 75 filled positions for the Sandy Recovery Division in Fiscal Year 2016, an increase of 17% from the Fiscal Year 2015 level. The Minor Object Detail Report shows that the division expended $8.981 million for Personal Services in Fiscal Year 2014, $6.210 million for Salaries & Wages and $2.771 million for Employee Benefits. However, the Minor Object Detail Report includes neither an adjusted Fiscal Year 2015 Personal Services appropriation nor a recommended Fiscal Year 2016 recommended Personal Services appropriation for the Sandy Recovery Division.

- ***Question:*** **Please provide a detailed spending plan for the Sandy Recovery Division for Fiscal Year 2015 and Fiscal Year 2016, respectively. Why are amounts for FY 2015 and FY 2016 not shown in the Minor Object Detail Report? What is the justification for 11 additional full-time positions for the Sandy Recovery Division? Please explain why an increase in division staff is recommended when 40% of the State's allocation of CDBG-DR funds have been awarded and the remaining 60% must be expended in about 30 months? To which areas of responsibility will these employees be assigned? Is the increase in the number of federally-supported positions related to a decrease in the State's reliance on the private contractors to manage CDBG-DR programs?**

As of April 2015, there are a total of 84 filled positions expected for the Sandy Recovery Division for FY205 at a cost of $6.2 million in Salaries and Wages and $2.5 million in Employee Benefits, for a total of $8.7 million.

The Sandy Recovery Division expects a total of 91 filled positons in FY2016 at a cost of $7.1 million for Salaries and Wages and $3.0 million in Employee Benefits, for a total of $10.1 million.

The Disaster Relief Appropriations Act of 2013 (PL 113-2) signed January 29, 2013 appropriated CDBG-DR funds to HUD, which in turn allocated grant funding to New Jersey. It is standard protocol to link a federal award to the State's accounting system in the year it was received. The CDBG-DR grant is therefore linked to the State's accounting system in FY2013, the year the Act was signed. The Minor Object Detail Report is one of many components of the State's technical budget and is used by agencies to request appropriations. Because FY2016 appropriations are not required for CDBG-DR, there is no detailed spending plan in the Minor Object Detail Report.

HUD requires the State to establish robust monitoring and compliance protocols in connection with the administration of CDBG-DR funds. Eleven (11) new Auditor positions were added to the Sandy Division's Compliance and Monitoring and Internal Audit teams to reduce costs and to decrease reliance on outside contractors. The current contract for outside auditors is approximately $9.6 million for two (2) years. The decision to bring this work in-house will result in a cost savings of $7.7 million. Salaries and benefits together will cost approximately $1.9 million for two (2) years.

Discussion Points (Cont'd)

41. The New Jersey Historic Trust (NJHT) was created in 1967 to advance the preservation of the State's historic properties through financial, educational, and stewardship programs. Originally established in, but not of, the Department of Environmental Protection, the NJHT was transferred to the Department of State in 1998 and then to the Department of Community Affairs in 2002 by Executive Reorganization Plans. The NJHT runs a number of programs that provide grants and loans for a variety of historic preservation, restoration, and repair projects. The NJHT is supported by a the proceeds of various State bond issuances, private donations, revenues deposited in the Historic Preservation License Plate Fund, and from time to time, legislative appropriations.

In December 2014, the NJHT issued a report entitled Keeping the Past Present, which chronicles the different sources of funding for the NJHT and discusses the economic benefits of historic preservation and heritage tourism. The report summarizes the results of a 2012 Capital Needs Survey conducted by the NJHT to identify New Jersey's near- and middle-term historic rehabilitation and restoration needs. The survey responses submitted by public and private sector participants identified $751 million in capital needs and an additional $142 million of needs for improvements to visitor amenities. The survey also notes, "The $751 million figure...is both too low and too high. It is a significant underestimate; the need is demonstrably larger. But it is also far more money than bond-funded matching grants and other government programs can support." The report notes that about a quarter of respondents did not provide cost estimates and that many cost estimates are approximations.

At the general election held on November 4, 2014, the voters of New Jersey approved Public Question No. 2, which proposed to amend Article VIII, Section II, paragraph 6 of the New Jersey Constitution to change the amounts allocated to various environmental programs funded by the existing dedication of 4% of the revenue collected annually from the Corporation Business Tax (CBT). It also raised amount dedicated for these purposes from 4% to 6% of the CBT, beginning in Fiscal Year 2020. The State Constitution now requires, from Fiscal Year 2016 to Fiscal Year 2019, 71% of the annual CBT dedicated annually to be allocated for the preservation and stewardship of open space (Green Acres), farmland, historic sites, and flood-prone areas (Blue Acres). The remaining 19% must be allocated for hazardous substance discharge remediation programs, underground storage tank programs, hazardous substance discharge cleanup performed by the State, and water resources programs and projects. As amended, the New Jersey Constitution requires an unspecified portion of CBT revenue to be appropriated to provide funding "...including loans or grants, for historic preservation..."

The Executive recommends that $46.219 million be appropriated to the Department of Environmental Protection for "Open Space, Farmland, and Historic Preservation – Constitutional Dedication." A language provision on page D-118 of the Fiscal Year 2016 budget recommends that 97% of these funds to be appropriated to the Department of Environmental Protection and the Department of Agriculture. The remaining 3%, or $1,386,570, would be appropriated to the Department of Community Affairs. The recommended budget language requires the Commissioner of Community Affairs to "establish, implement, and oversee a program to provide funding, including loans and grants, for the preservation and stewardship of land."

- ***Question:*** **Please reconcile the recommended appropriation of Corporation Business Tax revenues for historic preservation grants with the $751 million in capital**

Discussion Points (Cont'd)

needs identified by the NJHT survey? Did either the department or the NJHT request a larger allocation of CBT revenues during the Executive Branch budget process? If so, what amount was requested? What other sources will be available to support historic preservation grants and loans in Fiscal Year 2016? Please discuss the NJHT's efforts to identify other public and private sources of funding.

The budget request reflects funding at a level equal to the historic proportional funding between open space, agriculture preservation and historic preservation activities.

The Trust has a long-standing agreement to administer the 1772 Foundation. For FY2015, grants up to $15,000 are available to non-profit organizations for repair and restoration projects. The grants require a one–to-one match from the grant recipient.

State of New Jersey
Community Disaster Loan Status Report
04-09-15

Attachment-A

Status of DR-4086-NJ Community Disaster Loans as of April 09, 2015.

	At-a-glance	Obligated Amount	Amount Drawn Down	Interest Accrued through 3/31/15	Principal Cancelled	Interest Cancelled	Total Principal + Interest
60	Loans Reviewed/Approved						
30	Do not qualify/withdrawn						
0	Loan Applications Pending						
90	**Loan Requests**	**$174,023,761**	**$101,169,989.37**	**$1,447,535.35**	**0.00**	**$0**	**$0**

Full Disbursements	22
Partial Disbursements	28
No Disbursements	10

0	Full Cancellation
0	Partial Cancellation
0	Non Cancellation
0	Zero Disbursement
0	In Process

Loans by Applicant	Obligated Amount	Amount Drawn Down	Interest Accrued through 3/31/2015	Principal Cancelled	Interest Cancelled	Total Principal + Interest	Loan Number	Maturity Date	Cancellation Status
Atlantic Highlands, Borough of	$2,108,876	$2,108,876.00	$28,773.16			$0	EMN-2013-LF-4086NJ01	04/16/18	Not eligible for review until 2016
Stafford Township	$5,000,000	$3,240,000.00	$27,067.40			$0	EMN-2013-LF-4086NJ02	04/16/18	Not eligible for review until 2016
Keansburg, Borough of	$3,954,766	$3,954,766.00	$37,699.39			$0	EMN-2013-LF-4086NJ03	04/16/18	Not eligible for review until 2016
Lavallette, Borough of	$2,712,475	$2,511,815.00	$19,264.38			$0	EMN-2013-LF-4086NJ04	04/16/18	Not eligible for review until 2016
Toms River M.U.A.	$4,679,306	$2,359,650.00	$25,018.75			$0	EMN-2013-LF-4086NJ05	04/16/18	Not eligible for review until 2016
Mantoloking, Borough of	$831,074	$831,074.00	$11,356.11			$0	EMN-2013-LF-4086NJ06	04/16/18	Not eligible for review until 2016
Little Silver, Borough of	$1,829,324	$215,000.00	$2,415.07			$0	EMN-2013-LF-4086NJ07	05/01/18	Not eligible for review until 2016
Little Egg Harbor Township	$4,319,506	$3,250,000.00	$25,547.95			$0	EMN-2013-LF-4086NJ08	05/01/18	Not eligible for review until 2016
Oceanport, Borough of	$1,154,931	$300,000.00	$3,267.12			$0	EMN-2013-LF-4086NJ09	05/01/18	Not eligible for review until 2016
Toms River Township	$5,000,000	$5,000,000.00	$56,284.25			$0	EMN-2013-LF-4086NJ10	05/01/18	Not eligible for review until 2016
Sea Bright, Borough of	$1,297,273	$1,297,273.00	$11,928.69			$0	EMN-2013-LF-4086NJ11	05/01/18	Not eligible for review until 2016
Toms River Fire District #1	$1,550,078	$1,550,078.00	$10,792.27			$0	EMN-2013-LF-4086NJ12	05/01/18	Not eligible for review until 2016
Downe Township	$195,236	$195,236.00	$3,770.24			$0	EMN-2013-LF-4086NJ13	07/11/18	Not eligible for review until 2016
Avon By The Sea, Borough of	$1,626,160	$1,626,160.00	$36,464.77			$0	EMN-2013-LF-4086NJ14	06/28/18	Not eligible for review until 2016
Beach Haven, Borough of	$2,252,255	$1,719,896.00	$29,275.26			$0	EMN-2013-LF-4086NJ15	06/28/18	Not eligible for review until 2016
Highlands, Borough of	$2,363,102	$2,363,102.00	$51,009.01			$0	EMN-2013-LF-4086NJ16	06/28/18	Not eligible for review until 2016
Monmouth Beach, Borough of	$896,810	$896,810.00	$12,248.47			$0	EMN-2013-LF-4086NJ17	05/30/18	Not eligible for review until 2016
Seaside Heights, Borough of	$3,875,590	$3,875,000.00	$59,672.84			$0	EMN-2013-LF-4086NJ18	05/30/18	Not eligible for review until 2016
Seaside Park, Borough of	$2,554,234	$2,554,234.00	$31,796.25			$0	EMN-2013-LF-4086NJ19	05/30/18	Not eligible for review until 2016
Tuckerton, Borough of	$1,195,070	$697,500.00	$5,399.79			$0	EMN-2013-LF-4086NJ20	05/30/18	Not eligible for review until 2016
Ocean County	$5,000,000	$5,000,000.00	$78,219.18			$0	EMN-2013-LF-4086NJ21	05/30/18	Not eligible for review until 2016
Little Egg Harbor Municipal Utilities Authority	$1,337,926	$718,713.94	$10,573.23			$0	EMN-2013-LF-4086NJ22	06/28/18	Not eligible for review until 2016
Berkeley Township	$5,000,000	$5,000,000.00	$73,424.66			$0	EMN-2013-LF-4086NJ23	05/30/18	Not eligible for review until 2016
Berkeley Township School District	$5,000,000	$730,422.00	$7,909.57			$0	EMN-2013-LF-4086NJ24	07/11/18	Not eligible for review until 2016
Bay Head, Borough of	$965,512	$300,000.00	$5,708.22			$0	EMN-2013-LF-4086NJ25	07/11/18	Not eligible for review until 2016
Belmar Township	$4,484,184	$4,484,184.00	$70,764.11			$0	EMN-2013-LF-4086NJ26	07/11/18	Not eligible for review until 2016
Little Ferry, Borough of	$2,536,457	$1,762,300.00	$20,361.09			$0	EMN-2013-LF-4086NJ27	05/30/18	Not eligible for review until 2016
Moonachie, Borough of	$2,212,128	$2,208,020.00	$32,009.80			$0	EMN-2013-LF-4086NJ28	07/11/18	Not eligible for review until 2016
Ocean Gate, Borough of	$531,497	$531,497.00	$11,314.33			$0	EMN-2013-LF-4086NJ29	07/11/18	Not eligible for review until 2016
Point Pleasant Beach, Borough of	$3,382,583	$900,000.00	$17,272.60			$0	EMN-2013-LF-4086NJ30	07/11/18	Not eligible for review until 2016
Spring Lake, Borough of	$2,103,350	$200,000.00	$2,449.32			$0	EMN-2013-LF-4086NJ31	07/11/18	Not eligible for review until 2016
Central Regional School District	$5,000,000	$4,698,669.61	$53,308.62			$0	EMN-2013-LF-4086NJ32	07/11/18	Not eligible for review until 2016
Atlantic City, City of	$5,000,000	$5,000,000.00	$81,506.85			$0	EMN-2013-LF-4086NJ33	05/30/18	Not eligible for review until 2016
Brigantine City	$5,000,000	$0.00	$0.00			$0	EMN-2013-LF-4086NJ34	07/11/18	Not eligible for review until 2016
Ventor City, City of	$5,000,000	$5,000,000.00	$81,736.44			$0	EMN-2013-LF-4086NJ35	07/11/18	Not eligible for review until 2016
Moonachie, Board of Education	$2,028,927	$0.00	$0.00			$0	EMN-2013-LF-4086NJ36	07/11/18	Not eligible for review until 2016
Ocean County, Library Commission	$5,000,000	$0.00	$0.00			$0	EMN-2013-LF-4086NJ37	07/11/18	Not eligible for review until 2016
Ocean County Vocational Technical School District	$5,000,000	$0.00	$0.00			$0	EMN-2013-LF-4086NJ38	07/11/18	Not eligible for review until 2016
Seaside Heights, School District	$1,043,805	$1,043,805.00	$20,547.57			$0	EMN-2013-LF-4086NJ39	07/11/18	Not eligible for review until 2016
Seaside Park, Board of Education	$258,821	$258,821.00	$6,318.07			$0	EMN-2013-LF-4086NJ40	07/11/18	Not eligible for review until 2016
Toms River Regional School District	$5,000,000	$5,000,000.00	$114,691.21			$0	EMN-2013-LF-4086NJ41	07/11/18	Not eligible for review until 2016

State of New Jersey
Community Disaster Loan Status Report
04-09-15

Status of DR-4086-NJ Community Disaster Loans as of April 09, 2015.

At-a-glance		Obligated Amount	Amount Drawn Down	Interest Accrued through 3/31/15	Principal Cancelled	Interest Cancelled	Total Principal + Interest
60	Loans Reviewed/Approved						
30	Do not qualify/withdrawn						
0	Loan Applications Pending						
90	**Loan Requests**	**$174,023,761**	**$101,169,989.37**	**$1,447,535.35**	**0.00**	**$0**	**$0**

Full Disbursements	22
Partial Disbursements	28
No Disbursements	10

0	Full Cancellation
0	Partial Cancellation
0	Non Cancellation
0	Zero Disbursement
0	In Process

Loans by Applicant	Obligated Amount	Amount Drawn Down	Interest Accrued through 3/31/2015	Principal Cancelled	Interest Cancelled	Total Principal + Interest	Loan Number	Maturity Date	Cancellation Status
Brick, Township of	$5,000,000	$5,000,000.00	$115,890.41			$0	EMN-2013-LF-4086NJ42	07/11/18	Not eligible for review until 2016
Little Egg Harbor Fire District #2	$83,396	$0.00	$0.00			$0	EMN-2013-LF-4086NJ43	07/11/18	Not eligible for review until 2016
Manasquan, Borough of	$2,769,837	$2,128,458.36	$27,551.35			$0	EMN-2013-LF-4086NJ44	07/17/18	Not eligible for review until 2016
Manasquan, Fire District	$145,882	$0.00	$0.00			$0	EMN-2013-LF-4086NJ45	07/17/18	Not eligible for review until 2016
Brick Township M.U.A.	$5,000,000	$0.00	$0.00			$0	EMN-2013-LF-4086NJ46	07/17/18	Not eligible for review until 2016
Bay Head School District	$855,273	$0.00	$0.00			$0	EMN-2013-LF-4086NJ47	07/17/18	Not eligible for review until 2016
Highlands Elementary School District	$729,497	$98,899.00	$1,631.83			$0	EMN-2013-LF-4086NJ48	07/17/18	Not eligible for review until 2016
Little Ferry School District	$4,708,701	$312,000.00	$5,817.95			$0	EMN-2013-LF-4086NJ49	07/17/18	Not eligible for review until 2016
Manasquan, School District	$4,719,338	$1,303,948.46	$19,496.69			$0	EMN-2013-LF-4086NJ50	07/17/18	Not eligible for review until 2016
Ocean County, Health Department	$5,000,000	$0.00	$0.00			$0	EMN-2013-LF-4086NJ51	07/17/18	Not eligible for review until 2016
Ocean Gate School District	$460,955	$21,000.00	$374.98			$0	EMN-2013-LF-4086NJ52	07/17/18	Not eligible for review until 2016
Southern Regional School District	$5,000,000	$495,000.00	$5,090.70			$0	EMN-2013-LF-4086NJ53	07/17/18	Not eligible for review until 2016
Union Beach, School District	$4,158,107	$899,147.00	$9,450.28			$0	EMN-2013-LF-4086NJ54	07/23/18	Not eligible for review until 2016
Shore Regional School District	$3,660,822	$821,424.00	$7,705.07			$0	EMN-2013-LF-4086NJ55	07/23/18	Not eligible for review until 2016
Monmouth Beach, Board of Education	$1,157,161	$0.00	$0.00			$0	EMN-2013-LF-4086NJ56	07/23/18	Not eligible for review until 2016
Tuckerton School District	$1,135,499	$49,855.00	$1,040.47			$0	EMN-2013-LF-4086NJ57	07/30/18	Not eligible for review until 2016
Point Pleasant, Borough of	$4,702,202	$4,702,202.00	$66,353.58			$0	EMN-2013-LF-4086NJ58	08/13/18	Not eligible for review until 2016
Oceanport, School District	$2,398,690	$434,153.00	$4,006.99			$0	EMN-2013-LF-4086NJ59	08/13/18	Not eligible for review until 2016
Union Beach, Borough of	$2,057,145	$1,521,000.00	$5,958.99			$0	EMN-2013-LF-4086NJ60	08/13/18	Not eligible for review until 2016
TOTALS	**$174,023,761**	**$101,169,989.37**	**$1,447,535.35**	**0.00**	**$0**	**$0**			

TABLE 1

Current Affordable Housing Trust Fund Balances and Potential Amounts Subject to Transfer

(as reported by New Jersey Municipalities as of April 13, 2015)

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
ABSECON CITY	ATLANTIC	$0		$0	$0
ATLANTIC CITY	ATLANTIC	$0		$0	$0
BRIGANTINE CITY	ATLANTIC	$147,769	$364,796	$279,272	$85,524
BUENA BORO	ATLANTIC	$0		$0	$0
BUENA VISTA TWP	ATLANTIC	$0		$0	$0
CORBIN CITY	ATLANTIC	$0		$0	$0
EGG HARBOR CITY	ATLANTIC	$0		$0	$0
EGG HARBOR TWP	ATLANTIC	$146,624	$136,299	$12,272	$124,027
ESTELLE MANOR CITY	ATLANTIC	$0		$0	$0
FOLSOM BORO	ATLANTIC	$0		$0	$0
GALLOWAY TWP	ATLANTIC	$800,154	$4,398,930	$5,885,806	$0
HAMILTON TWP	ATLANTIC	$133,147	$503,859	$439,809	$64,049
HAMMONTON TOWN	ATLANTIC	$819	$207,967	$209,936	$0
LINWOOD CITY	ATLANTIC	$0	$23,540	$25,939	$0
LONGPORT BORO	ATLANTIC	$0		$0	$0
MARGATE CITY	ATLANTIC	$0		$0	$0
MULLICA TWP	ATLANTIC	$0		$0	$0
NORTHFIELD CITY	ATLANTIC	$0		$0	$0
PLEASANTVILLE CITY	ATLANTIC	$0		$0	$0
PORT REPUBLIC CITY	ATLANTIC	$0		$0	$0
SOMERS POINT CITY	ATLANTIC	$19,900	$411,278	$248,679	$162,599
VENTNOR CITY	ATLANTIC	$0		$0	$0
WEYMOUTH TWP	ATLANTIC	$0		$0	$0
ALLENDALE BORO	BERGEN	$385,751	$3,006,010	$3,114,560	$0
ALPINE BORO	BERGEN	$1,528,780	$2,954,585	$2,253,116	$701,469
BERGENFIELD BORO	BERGEN	$0		$0	$0
BOGOTA BORO	BERGEN	$0		$0	$0
CARLSTADT BORO	BERGEN	$0		$0	$0
CLIFFSIDE PARK BORO	BERGEN	$0		$0	$0
CLOSTER BORO	BERGEN	$1,042,695	$1,643,100	$881,461	$761,638
CRESSKILL BORO	BERGEN	$737,240	$1,063,931	$647,490	$416,441
DEMAREST BORO	BERGEN	$430,375	$448,932	$282,782	$166,150
DUMONT BORO	BERGEN	$0		$0	$0
ELMWOOD PARK BORO	BERGEN	$0		$0	$0
EAST RUTHERFORD BORO	BERGEN	$0	$0	$0	$0
EDGEWATER BORO	BERGEN	$486,139	$2,400,327	$1,915,120	$485,207
EMERSON BORO	BERGEN	$159,680	$364,179	$218,559	$145,621
ENGLEWOOD CITY	BERGEN	$94,430	$19,932	$25,957	$0
ENGLEWOOD CLIFFS BORO	BERGEN	$1,500,572	$827,663	$22,061	$805,603
FAIR LAWN BORO	BERGEN	$24,907		$0	$0
FAIRVIEW BORO	BERGEN	$0		$0	$0
FORT LEE BORO	BERGEN	$6,036,717	$4,655,976	$4,373,985	$281,992
FRANKLIN LAKES BORO	BERGEN	$517,525	$2,542,263	$3,026,167	$0
GARFIELD CITY	BERGEN	$0		$0	$0
GLEN ROCK BORO	BERGEN	$345,442	$50,824	$0	$50,824
HACKENSACK CITY	BERGEN	$0		$0	$0
HARRINGTON PARK BORO	BERGEN	$57,623	$44,145	$0	$44,145
HASBROUCK HEIGHTS BORO	BERGEN	$0		$0	$0
HAWORTH BORO	BERGEN	$161,298	$227,848	$68,131	$159,717
HILLSDALE BORO	BERGEN	$88,313	$55,772	$2,593	$53,180
HO-HO-KUS BORO	BERGEN	$201,390	$178,609	$47,409	$131,200
LEONIA BORO	BERGEN	$16,944	$8,069	$0	$8,069
LITTLE FERRY BORO	BERGEN	$25	$25	$0	$25
LODI BORO	BERGEN	$0		$0	$0
LYNDHURST TWP	BERGEN	$0		$0	$0

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
MAHWAH TWP	BERGEN	$2,233,562	$3,179,388	$1,620,796	$1,558,592
MAYWOOD BORO	BERGEN	$0		$0	$0
MIDLAND PARK BORO	BERGEN	$6,273	$7,540	$1,267	$6,273
MONTVALE BORO	BERGEN	$324,121	$2,752,519	$2,703,395	$49,124
MOONACHIE BORO	BERGEN	$0		$0	$0
NEW MILFORD BORO	BERGEN	$0		$0	$0
NORTH ARLINGTON BORO	BERGEN	$0		$0	$0
NORTHVALE BORO	BERGEN	$286	$32	$36	$0
NORWOOD BORO	BERGEN	$76,509	$230,700	$194,639	$36,060
OAKLAND BORO	BERGEN	$611,521	$806,792	$215,501	$591,291
OLD TAPPAN BORO	BERGEN	$524,451	$918,462	$667,100	$251,362
ORADELL BORO	BERGEN	$7,433	$8,027	$653	$7,374
PALISADES PARK BORO	BERGEN	$0		$0	$0
PARAMUS BORO	BERGEN	$1,072,909	$15,479,555	$14,859,785	$619,770
PARK RIDGE BORO	BERGEN	$341,408	$1,157,671	$860,371	$297,301
RAMSEY BORO	BERGEN	$935,321	$3,007,201	$2,361,504	$645,697
RIDGEFIELD BORO	BERGEN	-$411	$153,522	$153,940	$0
RIDGEFIELD PARK VILLAGE	BERGEN	$126,515	$172,890	$70,601	$102,288
RIDGEWOOD VILLAGE	BERGEN	$352,300	$405,972	$100,292	$305,680
RIVER EDGE BORO	BERGEN	$0		$0	$0
RIVER VALE TWP	BERGEN	$190,482	$1,239,302	$1,233,635	$5,667
ROCHELLE PARK TWP	BERGEN	$492,997	$499,938	$12,220	$487,718
ROCKLEIGH BORO	BERGEN	$0		$0	$0
RUTHERFORD BORO	BERGEN	$351,640	$316,454	$0	$316,454
SADDLE BROOK TWP	BERGEN	$617,649	$1,620,035	$1,011,469	$608,566
SADDLE RIVER BORO	BERGEN	$0		$0	$0
SOUTH HACKENSACK TWP	BERGEN	$118,290	$129,927	$11,886	$118,041
TEANECK TWP	BERGEN	$71,045	$70,994	$0	$70,994
TENAFLY BORO	BERGEN	$1,548,541	$1,762,436	$1,457,726	$304,710
TETERBORO BORO	BERGEN	$0		$0	$0
UPPER SADDLE RIVER BORO	BERGEN	$44,645	$1,859,204	$1,740,939	$118,265
WALDWICK BORO	BERGEN	$201,502	$535,038	$499,676	$35,362
WALLINGTON BORO	BERGEN	$0		$0	$0
WASHINGTON TWP	BERGEN	$106,248	$381,248	$275,000	$106,248
WESTWOOD BORO	BERGEN	$39,519	$49,271	$9,880	$39,391
WOODCLIFF LAKE BORO	BERGEN	$615,595	$5,625,551	$5,371,769	$253,782
WOOD-RIDGE BORO	BERGEN	$0		$0	$0
WYCKOFF TWP	BERGEN	$39,334	$42,133	$2,947	$39,185
BASS RIVER TWP	BURLINGTON	$0		$0	$0
BEVERLY CITY	BURLINGTON	$0		$0	$0
BORDENTOWN CITY	BURLINGTON	$0		$0	$0
BORDENTOWN TWP	BURLINGTON	$790,141	$1,236,987	$455,412	$781,575
BURLINGTON CITY	BURLINGTON	$16,909	$32,564	$16,225	$16,339
BURLINGTON TWP	BURLINGTON	$1,797,826	$2,789,832	$2,332,499	$457,332
CHESTERFIELD TWP	BURLINGTON	$5,922	$40,674	$43,887	$0
CINNAMINSON TWP	BURLINGTON	$301,652	$1,979,270	$1,858,523	$120,747
DELANCO TWP	BURLINGTON	$32,394	$413,197	$413,455	$0
DELRAN TWP	BURLINGTON	$483,080	$1,273,752	$811,835	$461,916
EASTAMPTON TWP	BURLINGTON	$0		$0	$0
EDGEWATER PARK TWP	BURLINGTON	$17,070	$54,476	$37,665	$16,812
EVESHAM TWP	BURLINGTON	$931,382	$6,335,676	$6,119,138	$216,538
FIELDSBORO BORO	BURLINGTON	$0		$0	$0
FLORENCE TWP	BURLINGTON	$180,225	$4,591,448	$4,607,822	$0
HAINESPORT TWP	BURLINGTON	$478,087	$1,709,604	$1,546,523	$163,081
LUMBERTON TWP	BURLINGTON	$762,142	$1,102,470	$359,377	$743,093
MANSFIELD TWP	BURLINGTON	$576,216	$896,044	$439,728	$456,315
MAPLE SHADE TWP	BURLINGTON	$48	$48	$0	$48
MEDFORD TWP	BURLINGTON	$320,229	$1,622,487	$1,623,394	$0
MEDFORD LAKES BORO	BURLINGTON	$0		$0	$0

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
MOORESTOWN TWP	BURLINGTON	$617,270	$8,125,576	$8,219,300	$0
MOUNT HOLLY TWP	BURLINGTON	$595	$581	$0	$581
MOUNT LAUREL TWP	BURLINGTON	$5,551,679	$11,042,839	$6,368,180	$4,674,659
NEW HANOVER TWP	BURLINGTON	$16,693	$50,030	$54,578	$0
NORTH HANOVER TWP	BURLINGTON	$164,788	$243,332	$84,412	$158,920
PALMYRA BORO	BURLINGTON	$0		$0	$0
PEMBERTON BORO	BURLINGTON	$355,192	$461,969	$110,213	$351,756
PEMBERTON TWP	BURLINGTON	$33,373	$15,633	$0	$15,633
RIVERSIDE TWP	BURLINGTON	$0		$0	$0
RIVERTON BORO	BURLINGTON	$56,294	$153,214	$105,427	$47,787
SHAMONG TWP	BURLINGTON	$0		$0	$0
SOUTHAMPTON TWP	BURLINGTON	$259,713	$362,349	$69,456	$292,893
SPRINGFIELD TWP	BURLINGTON	$316,315	$434,888	$151,163	$283,725
TABERNACLE TWP	BURLINGTON	$0		$0	$0
WASHINGTON TWP	BURLINGTON	$0		$0	$0
WESTAMPTON TWP	BURLINGTON	$156,692	$157,520	$828	$156,692
WILLINGBORO TWP	BURLINGTON	-$10,469	$110,302	$127,699	$0
WOODLAND TWP	BURLINGTON	$0		$0	$0
WRIGHTSTOWN BORO	BURLINGTON	$0		$0	$0
AUDUBON BORO	CAMDEN	$0		$0	$0
AUDUBON PARK BORO	CAMDEN	$0		$0	$0
BARRINGTON BORO	CAMDEN	$0		$0	$0
BELLMAWR BORO	CAMDEN	$0		$0	$0
BERLIN BORO	CAMDEN	$457,448	$806,688	$355,578	$451,109
BERLIN TWP	CAMDEN	$0		$0	$0
BROOKLAWN BORO	CAMDEN	$0		$0	$0
CAMDEN CITY	CAMDEN	$0		$0	$0
CHERRY HILL TWP	CAMDEN	$2,432,264	$2,411,810	$699,382	$1,712,428
CHESILHURST BORO	CAMDEN	$0		$0	$0
CLEMENTON BORO	CAMDEN	$0		$0	$0
COLLINGSWOOD BORO	CAMDEN	$0		$0	$0
GIBBSBORO BORO	CAMDEN	$17,673	$17,655	$0	$17,655
GLOUCESTER CITY	CAMDEN	$0		$0	$0
GLOUCESTER TWP	CAMDEN	$591,406	$671,091	$431,189	$239,903
HADDON TWP	CAMDEN	$0		$0	$0
HADDONFIELD BORO	CAMDEN	$333,586	$411,202	$375,000	$36,202
HADDON HEIGHTS BORO	CAMDEN	$0		$0	$0
HI-NELLA BORO	CAMDEN	$0		$0	$0
LAUREL SPRINGS BORO	CAMDEN	$0		$0	$0
LAWNSIDE BORO	CAMDEN	$0		$0	$0
LINDENWOLD BORO	CAMDEN	$0		$0	$0
MAGNOLIA BORO	CAMDEN	$0		$0	$0
MERCHANTVILLE BORO	CAMDEN	$0		$0	$0
MOUNT EPHRAIM BORO	CAMDEN	$602	$602	$0	$602
OAKLYN BORO	CAMDEN	$0		$0	$0
PENNSAUKEN TWP	CAMDEN	$23,906	$23,906	$0	$23,906
PINE HILL BORO	CAMDEN	$0		$0	$0
PINE VALLEY BORO	CAMDEN	$0		$0	$0
RUNNEMEDE BORO	CAMDEN	$0		$0	$0
SOMERDALE BORO	CAMDEN	$0		$0	$0
STRATFORD BORO	CAMDEN	$0		$0	$0
TAVISTOCK BORO	CAMDEN	$0		$0	$0
VOORHEES TWP	CAMDEN	$236,408	$243,551	$75,084	$168,468
WATERFORD TWP	CAMDEN	$0		$0	$0
WINSLOW TWP	CAMDEN	$93,286	$214,434	$223,546	$0
WOODLYNNE BORO	CAMDEN	$0		$0	$0
AVALON BORO	CAPE MAY	$0		$0	$0
CAPE MAY CITY	CAPE MAY	$464,032	$68,030	$0	$68,030
CAPE MAY POINT BORO	CAPE MAY	$172,351	$133,319	$74,553	$58,766

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
DENNIS TWP	CAPE MAY	$0		$0	$0
LOWER TWP	CAPE MAY	$0		$0	$0
MIDDLE TWP	CAPE MAY	$1,378,440	$1,677,518	$336,608	$1,340,910
NORTH WILDWOOD CITY	CAPE MAY	$0		$0	$0
OCEAN CITY	CAPE MAY	$2,826,348	$2,926,780	$4,612,876	$0
SEA ISLE CITY	CAPE MAY	$0		$0	$0
STONE HARBOR BORO	CAPE MAY	$976,423	$162,989	$6,521	$156,468
UPPER TWP	CAPE MAY	$425,345	$275,787	$344,490	$0
WEST CAPE MAY BORO	CAPE MAY	$269,580	$101,586	$47,959	$53,627
WEST WILDWOOD BORO	CAPE MAY	$0		$0	$0
WILDWOOD CITY	CAPE MAY	$0		$0	$0
WILDWOOD CREST BORO	CAPE MAY	$0		$0	$0
WOODBINE BORO	CAPE MAY	$0		$0	$0
BRIDGETON CITY	CUMBERLAND	$0		$0	$0
COMMERCIAL TWP	CUMBERLAND	$0		$0	$0
DEERFIELD TWP	CUMBERLAND	$0		$0	$0
DOWNE TWP	CUMBERLAND	$0		$0	$0
FAIRFIELD TWP	CUMBERLAND	$0		$0	$0
GREENWICH TWP	CUMBERLAND	$0		$0	$0
HOPEWELL TWP	CUMBERLAND	$37,451	$23,826	$0	$23,826
LAWRENCE TWP	CUMBERLAND	$0		$0	$0
MAURICE RIVER TWP	CUMBERLAND	$0		$0	$0
MILLVILLE CITY	CUMBERLAND	$0	$258,066	$263,682	$0
SHILOH BORO	CUMBERLAND	$0		$0	$0
STOW CREEK TWP	CUMBERLAND	$0		$0	$0
UPPER DEERFIELD TWP	CUMBERLAND	$0		$0	$0
VINELAND CITY	CUMBERLAND	$255,739	$189,012	$442,354	$0
BELLEVILLE TWP	ESSEX	$0		$0	$0
BLOOMFIELD TWP	ESSEX	$0		$0	$0
CALDWELL BORO	ESSEX	$0		$0	$0
CEDAR GROVE TWP	ESSEX	$265,285	$390,266	$195,304	$194,962
EAST ORANGE CITY	ESSEX	$0		$0	$0
ESSEX FELLS BORO	ESSEX	$0		$0	$0
FAIRFIELD TWP	ESSEX	$520,108	$1,545,028	$1,105,497	$439,532
GLEN RIDGE BORO	ESSEX	$0		$0	$0
IRVINGTON TWP	ESSEX	$0		$0	$0
LIVINGSTON TWP	ESSEX	$2,110,613	$2,745,558	$1,391,476	$1,354,082
MAPLEWOOD TWP	ESSEX	$0	$496	$498	$0
MILLBURN TWP	ESSEX	$0		$0	$0
MONTCLAIR TWP	ESSEX	$422,953	$754,308	$766,181	$0
NEWARK CITY	ESSEX	$0		$0	$0
NORTH CALDWELL BORO	ESSEX	$1,160,698	$131,474	$0	$131,474
NUTLEY TWP	ESSEX	$281,971	$76,297	$0	$76,297
ORANGE CITY	ESSEX	$0		$0	$0
ROSELAND BORO	ESSEX	$52,920	$29,088	$9,500	$19,588
SOUTH ORANGE VILLAGE TWP	ESSEX	$95,675	$643,237	$548,652	$94,585
VERONA TWP	ESSEX	$107,194	$103,074	$0	$103,074
WEST CALDWELL TWP	ESSEX	$0		$0	$0
WEST ORANGE TWP	ESSEX	$2,533,180	$5,325,948	$4,285,151	$1,040,797
CLAYTON BORO	GLOUCESTER	$15,859	$15,682	$0	$15,682
DEPTFORD TWP	GLOUCESTER	$689,272	$1,325,208	$1,031,990	$293,219
EAST GREENWICH TWP	GLOUCESTER	$853,935	$1,629,772	$996,963	$632,809
ELK TWP	GLOUCESTER	$131,256	$86,601	$11,714	$74,887
FRANKLIN TWP	GLOUCESTER	$0		$0	$0
GLASSBORO BORO	GLOUCESTER	$250,295	$1,577,506	$1,432,572	$144,934
GREENWICH TWP	GLOUCESTER	$0		$0	$0
HARRISON TWP	GLOUCESTER	$1,857,323	$2,187,118	$781,078	$1,406,040
LOGAN TWP	GLOUCESTER	$0		$0	$0
MANTUA TWP	GLOUCESTER	$661,607	$1,121,870	$962,044	$159,826

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MONROE TWP	GLOUCESTER	$428,901	$440,821	$80,581	$360,241
NATIONAL PARK BORO	GLOUCESTER	$0		$0	$0
NEWFIELD BORO	GLOUCESTER	$0		$0	$0
PAULSBORO BORO	GLOUCESTER	$0		$0	$0
PITMAN BORO	GLOUCESTER	$0		$0	$0
SOUTH HARRISON TWP	GLOUCESTER	$0		$0	$0
SWEDESBORO BORO	GLOUCESTER	$1,420	$4,376	$2,982	$1,395
WASHINGTON TWP	GLOUCESTER	$248,710	$157,252	$9,485	$147,767
WENONAH BORO	GLOUCESTER	$0		$0	$0
WEST DEPTFORD TWP	GLOUCESTER	$0		$0	$0
WESTVILLE BORO	GLOUCESTER	$0		$0	$0
WOODBURY CITY	GLOUCESTER	$0		$0	$0
WOODBURY HEIGHTS BORO	GLOUCESTER	$0		$0	$0
WOOLWICH TWP	GLOUCESTER	$313,674	$643,216	$566,095	$77,121
BAYONNE CITY	HUDSON	$1,150,850	$2,966,654	$2,938,302	$28,352
EAST NEWARK BORO	HUDSON	$0		$0	$0
GUTTENBERG TOWN	HUDSON	$0		$0	$0
HARRISON TOWN	HUDSON	$627,807	$93,282	$0	$93,282
HOBOKEN CITY	HUDSON	$0		$0	$0
JERSEY CITY	HUDSON	$0		$0	$0
KEARNY TOWN	HUDSON	$0		$0	$0
NORTH BERGEN TWP	HUDSON	$0		$0	$0
SECAUCUS TOWN	HUDSON	$300,623	$3,282,391	$4,299,222	$0
UNION CITY	HUDSON	$301,155	$301,155	$0	$301,155
WEEHAWKEN TWP	HUDSON	$0	$2,725,186	$2,725,192	$0
WEST NEW YORK TOWN	HUDSON	$0		$0	$0
ALEXANDRIA TWP	HUNTERDON	$43,413	$750,017	$756,808	$0
BETHLEHEM TWP	HUNTERDON	$8,718	$341,083	$337,107	$3,976
BLOOMSBURY BORO	HUNTERDON	$0		$0	$0
CALIFON BORO	HUNTERDON	$0		$0	$0
CLINTON TOWN	HUNTERDON	$25,713	$30,961	$5,456	$25,504
CLINTON TWP	HUNTERDON	$45,479	$1,522,430	$1,515,101	$7,330
DELAWARE TWP	HUNTERDON	$106,703	$1,031,300	$999,738	$31,561
EAST AMWELL TWP	HUNTERDON	$94,879	$217,611	$152,225	$65,387
FLEMINGTON BORO	HUNTERDON	$164,357	$288,769	$125,296	$163,473
FRANKLIN TWP	HUNTERDON	$8,630	$287,445	$413,310	$0
FRENCHTOWN BORO	HUNTERDON	$16,865	$9,568	$0	$9,568
GLEN GARDNER BORO	HUNTERDON	$3,268		$0	$0
HAMPTON BORO	HUNTERDON	$0		$0	$0
HIGH BRIDGE BORO	HUNTERDON	$20,967	$9,394	$2,145	$7,249
HOLLAND TWP	HUNTERDON	$4,669	$64,098	$75,280	$0
KINGWOOD TWP	HUNTERDON	$82,048	$205,655	$185,115	$20,540
LAMBERTVILLE CITY	HUNTERDON	$6,826		$1,438	$0
LEBANON BORO	HUNTERDON	$0		$0	$0
LEBANON TWP	HUNTERDON	-$1,445	$461,277	$509,223	$0
MILFORD BORO	HUNTERDON	$5,479	$5,473	$0	$5,473
RARITAN TWP	HUNTERDON	$822,979	$5,528,387	$4,754,263	$774,123
READINGTON TWP	HUNTERDON	$198,796	$5,427,465	$5,930,973	$0
STOCKTON BORO	HUNTERDON	$0		$0	$0
TEWKSBURY TWP	HUNTERDON	-$6,270	$922,676	$1,114,504	$0
UNION TWP	HUNTERDON	$34,652	$1,345,360	$1,363,731	$0
WEST AMWELL TWP	HUNTERDON	$49,488	$205,691	$224,990	$0
EAST WINDSOR TWP	MERCER	$127,973	$3,578,903	$3,515,783	$63,120
EWING TWP	MERCER	$445,398	$1,256,649	$852,121	$404,528
HAMILTON TWP	MERCER	$2,648,324	$8,183,985	$6,256,895	$1,927,090
HIGHTSTOWN BORO	MERCER	$313,376	$423,386	$124,123	$299,263
HOPEWELL BORO	MERCER	$7,859	$15,251	$7,443	$7,808
HOPEWELL TWP	MERCER	$246,429	$10,359,299	$11,362,276	$0
LAWRENCE TWP	MERCER	$397,110	$11,376,980	$11,798,029	$0

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PENNINGTON BORO	MERCER	$66,590	$408,194	$365,462	$42,732
TRENTON CITY	MERCER	$0		$0	$0
ROBBINSVILLE TWP	MERCER	$695,579	$5,555,442	$5,661,960	$0
WEST WINDSOR TWP	MERCER	$0	$5,278,422	$5,406,577	$0
PRINCETON	MERCER	$701,193	$4,797,509	$4,569,840	$227,670
CARTERET BORO	MIDDLESEX	$0		$0	$0
CRANBURY TWP	MIDDLESEX	$10,594	$3,487,697	$3,493,366	$0
DUNELLEN BORO	MIDDLESEX	$0		$0	$0
EAST BRUNSWICK TWP	MIDDLESEX	$617,430	$3,414,042	$3,244,365	$169,677
EDISON TWP	MIDDLESEX	$4,104,747	$5,334,579	$2,342,310	$2,992,269
HELMETTA BORO	MIDDLESEX	$9,086	$269,083	$260,000	$9,083
HIGHLAND PARK BORO	MIDDLESEX	$0		$0	$0
JAMESBURG BORO	MIDDLESEX	$0		$0	$0
OLD BRIDGE TWP	MIDDLESEX	$1,529,687	$4,459,419	$3,930,456	$528,963
METUCHEN BORO	MIDDLESEX	$188,384	$206,712	$221,568	$0
MIDDLESEX BORO	MIDDLESEX	$0		$0	$0
MILLTOWN BORO	MIDDLESEX	$0		$0	$0
MONROE TWP	MIDDLESEX	$13,798,023	$18,659,941	$7,462,816	$11,197,125
NEW BRUNSWICK CITY	MIDDLESEX	$0		$0	$0
NORTH BRUNSWICK TWP	MIDDLESEX	$118,423	$9,035,834	$8,926,420	$109,414
PERTH AMBOY CITY	MIDDLESEX	$0		$0	$0
PISCATAWAY TWP	MIDDLESEX	$393,969	$1,975,346	$1,942,522	$32,824
PLAINSBORO TWP	MIDDLESEX	$265,524	$6,182,804	$5,987,714	$195,090
SAYREVILLE BORO	MIDDLESEX	$0		$0	$0
SOUTH AMBOY CITY	MIDDLESEX	$0		$0	$0
SOUTH BRUNSWICK TWP	MIDDLESEX	$3,148,071	$17,013,812	$16,611,141	$402,671
SOUTH PLAINFIELD BORO	MIDDLESEX	$303,419	$331,567	$125,220	$206,347
SOUTH RIVER BORO	MIDDLESEX	$0		$0	$0
SPOTSWOOD BORO	MIDDLESEX	$0		$0	$0
WOODBRIDGE TWP	MIDDLESEX	$1,117,382	$5,434,420	$5,443,869	$0
ALLENHURST BORO	MONMOUTH	$0		$0	$0
ALLENTOWN BORO	MONMOUTH	$0		$0	$0
ASBURY PARK CITY	MONMOUTH	$0		$0	$0
ATLANTIC HIGHLANDS BORO	MONMOUTH	$0		$0	$0
AVON-BY-THE-SEA BORO	MONMOUTH	$0		$0	$0
BELMAR BORO	MONMOUTH	$0		$0	$0
BRADLEY BEACH BORO	MONMOUTH	$0		$0	$0
BRIELLE BORO	MONMOUTH	$0		$0	$0
COLTS NECK TOWNSHIP	MONMOUTH	$596,529	$496,444	$191,295	$305,149
DEAL BORO	MONMOUTH	$0		$0	$0
EATONTOWN BORO	MONMOUTH	$1,430,037	$2,244,731	$1,180,462	$1,064,270
ENGLISHTOWN BORO	MONMOUTH	$148	$43,087	$43,100	$0
FAIR HAVEN BORO	MONMOUTH	$0		$0	$0
FARMINGDALE BORO	MONMOUTH	$69,059	$31,488	$25,100	$6,388
FREEHOLD BORO	MONMOUTH	$0		$0	$0
FREEHOLD TWP	MONMOUTH	$850,049	$14,440,447	$13,951,153	$489,294
HIGHLANDS BORO	MONMOUTH	$0		$0	$0
HOLMDEL TWP	MONMOUTH	$3,195,656	$15,318,153	$12,858,833	$2,459,321
HOWELL TWP	MONMOUTH	$982,900	$5,852,748	$5,339,017	$513,730
INTERLAKEN BORO	MONMOUTH	$0		$0	$0
KEANSBURG BORO	MONMOUTH	$0		$0	$0
KEYPORT BORO	MONMOUTH	$0		$0	$0
LITTLE SILVER BORO	MONMOUTH	$445,569	$109,515	$48,233	$61,282
LOCH ARBOUR VILLAGE	MONMOUTH	$0		$0	$0
LONG BRANCH CITY	MONMOUTH	$0		$0	$0
MANALAPAN TWP	MONMOUTH	$3,168,788	$14,358,294	$11,993,336	$2,364,958
MANASQUAN BORO	MONMOUTH	$229,503	$887,307	$794,895	$92,412
MARLBORO TWP	MONMOUTH	$6,526,878	$19,220,325	$14,504,375	$4,715,950
MATAWAN BORO	MONMOUTH	$0		$0	$0

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ABERDEEN TWP	MONMOUTH	$613,908	$2,176,817	$1,614,163	$562,654
MIDDLETOWN TWP	MONMOUTH	$893,442	$4,549,931	$3,676,494	$873,437
MILLSTONE TWP	MONMOUTH	$92,186	$2,201,227	$2,311,017	$0
MONMOUTH BEACH BORO	MONMOUTH	$134,262	$134,262	$0	$134,262
NEPTUNE TWP	MONMOUTH	$222,290	$208,511	$1,496	$207,015
NEPTUNE CITY BORO	MONMOUTH	$0		$0	$0
TINTON FALLS BORO	MONMOUTH	$691,618	$4,801,297	$4,558,065	$243,232
OCEAN TWP	MONMOUTH	$73,120		$0	$0
OCEANPORT BORO	MONMOUTH	$130,024	$77,761	$47,416	$30,346
HAZLET TWP	MONMOUTH	$0		$0	$0
RED BANK BORO	MONMOUTH	$18,557	$167,538	$160,707	$6,831
ROOSEVELT BORO	MONMOUTH	$0		$0	$0
RUMSON BORO	MONMOUTH	$1,488,021	$1,452,259	$1,055,947	$396,311
SEA BRIGHT BORO	MONMOUTH	$0		$0	$0
SEA GIRT BORO	MONMOUTH	$0		$0	$0
SHREWSBURY BORO	MONMOUTH	$85,675	$63,414	$13,258	$50,156
SHREWSBURY TWP	MONMOUTH	$0		$0	$0
LAKE COMO BORO	MONMOUTH	$0		$0	$0
SPRING LAKE BORO	MONMOUTH	$1,515,943	$2,470,279	$1,575,850	$894,429
SPRING LAKE HEIGHTS BORO	MONMOUTH	$0		$0	$0
UNION BEACH BORO	MONMOUTH	$0		$0	$0
UPPER FREEHOLD TWP	MONMOUTH	$1,299,283	$2,881,234	$1,992,352	$888,882
WALL TWP	MONMOUTH	-$208,577	$18,781,614	$19,380,178	$0
WEST LONG BRANCH BORO	MONMOUTH	$0		$0	$0
BOONTON TOWN	MORRIS	$333,482	$544,918	$235,626	$309,292
BOONTON TWP	MORRIS	$0		$0	$0
BUTLER BORO	MORRIS	$0		$0	$0
CHATHAM BORO	MORRIS	$209,176	$297,467	$170,301	$127,166
CHATHAM TWP	MORRIS	$0		$0	$0
CHESTER BORO	MORRIS	$5,200	$938,810	$957,245	$0
CHESTER TWP	MORRIS	$160,038	$1,867,217	$1,818,690	$48,527
DENVILLE TWP	MORRIS	$374,427	$1,338,222	$1,359,509	$0
DOVER TOWN	MORRIS	$113,478	$93,586	$12,886	$80,700
EAST HANOVER TWP	MORRIS	$25,700	$5,223,438	$5,280,519	$0
FLORHAM PARK BORO	MORRIS	$317,609	$886,771	$551,495	$335,276
HANOVER TWP	MORRIS	$914,671	$4,261,911	$3,977,648	$284,263
HARDING TWP	MORRIS	$122,164	$756,162	$904,050	$0
JEFFERSON TWP	MORRIS	$83,538	$82,871	$0	$82,871
KINNELON BORO	MORRIS	$0		$0	$0
LINCOLN PARK BORO	MORRIS	$10,177	$632,201	$641,265	$0
MADISON BORO	MORRIS	$454,322	$559,107	$819,273	$0
MENDHAM BORO	MORRIS	$99,866	$574,849	$524,657	$50,192
MENDHAM TWP	MORRIS	$0		$0	$0
MINE HILL TWP	MORRIS	$0		$0	$0
MONTVILLE TWP	MORRIS	$979	$960	$0	$960
MORRIS TWP	MORRIS	$674,833	$0	$0	$0
MORRIS PLAINS BORO	MORRIS	$0		$0	$0
MORRISTOWN TOWN	MORRIS	$923,265	$611,425	$0	$611,425
MOUNTAIN LAKES BORO	MORRIS	$12,717	$12,717	$0	$12,717
MOUNT ARLINGTON BORO	MORRIS	$0		$0	$0
MOUNT OLIVE TWP	MORRIS	$1,281,768	$1,720,350	$1,044,677	$675,673
NETCONG BORO	MORRIS	$0		$0	$0
PARSIPPANY-TROY HILLS TWP	MORRIS	$2,952,209	$6,268,477	$3,784,780	$2,483,697
LONG HILL TWP	MORRIS	$130,004	$1,312,327	$1,263,456	$48,871
PEQUANNOCK TWP	MORRIS	$169,687	$169,687	$0	$169,687
RANDOLPH TWP	MORRIS	$105,113	$1,957,979	$2,019,059	$0
RIVERDALE BORO	MORRIS	$1,148,951	$1,147,876	$0	$1,147,876
ROCKAWAY BORO	MORRIS	$11,144	$11,144	$0	$11,144
ROCKAWAY TWP	MORRIS	$756,739	$3,920,795	$3,672,316	$248,479

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ROXBURY TWP	MORRIS	$80,013	$3,876,176	$3,992,245	$0
VICTORY GARDENS BORO	MORRIS	$0		$0	$0
WASHINGTON TWP	MORRIS	$283,129	$2,920,097	$2,948,260	$0
WHARTON BORO	MORRIS	$106,089	$111,010	$5,632	$105,378
BARNEGAT LIGHT BORO	OCEAN	$0		$0	$0
BAY HEAD BORO	OCEAN	$292,668	$170,644	$0	$170,644
BEACH HAVEN BORO	OCEAN	$503,755	$141,520	$5,777	$135,742
BEACHWOOD BORO	OCEAN	$0		$0	$0
BERKELEY TWP	OCEAN	$920,641	$1,933,050	$1,326,086	$606,964
BRICK TWP	OCEAN	$679,772	$8,063,553	$8,472,365	$0
TOMS RIVER TOWNSHIP	OCEAN	$1,111,469	$5,192,688	$5,385,521	$0
EAGLESWOOD TWP	OCEAN	$0		$0	$0
HARVEY CEDARS BORO	OCEAN	$0		$0	$0
ISLAND HEIGHTS BORO	OCEAN	$0		$0	$0
JACKSON TWP	OCEAN	$551,632	$5,431,334	$5,608,977	$0
LACEY TWP	OCEAN	$116,746	$1,455,763	$1,387,445	$68,318
LAKEHURST BORO	OCEAN	$0		$0	$0
LAKEWOOD TWP	OCEAN	$0		$0	$0
LAVALLETTE BORO	OCEAN	$0		$0	$0
LITTLE EGG HARBOR TWP	OCEAN	$249,221	$456,862	$1,224,155	$0
LONG BEACH TWP	OCEAN	$0		$0	$0
MANCHESTER TWP	OCEAN	$948,741	$1,799,074	$1,195,372	$603,701
MANTOLOKING BORO	OCEAN	$0		$0	$0
OCEAN TWP	OCEAN	$311,146	$243,041	$0	$243,041
OCEAN GATE BORO	OCEAN	$0		$0	$0
PINE BEACH BORO	OCEAN	$26,160	$206,862	$203,241	$3,621
PLUMSTED TWP	OCEAN	$0		$0	$0
POINT PLEASANT BORO	OCEAN	$67,075	$76,901	$22,257	$54,644
POINT PLEASANT BEACH BORO	OCEAN	$0		$0	$0
SEASIDE HEIGHTS BORO	OCEAN	$0		$0	$0
SEASIDE PARK BORO	OCEAN	$0		$0	$0
SHIP BOTTOM BORO	OCEAN	$0		$0	$0
SOUTH TOMS RIVER BORO	OCEAN	$0		$0	$0
STAFFORD TWP	OCEAN	$2,106,292	$5,551,460	$4,002,145	$1,549,315
SURF CITY BORO	OCEAN	$0		$0	$0
TUCKERTON BORO	OCEAN	$4	$4	$0	$4
BARNEGAT TWP	OCEAN	$780,537	$1,406,961	$630,141	$776,820
BLOOMINGDALE BORO	PASSAIC	$0		$0	$0
CLIFTON CITY	PASSAIC	$3,207,507	$5,049,321	$3,194,036	$1,855,285
HALEDON BORO	PASSAIC	$0		$0	$0
HAWTHORNE BORO	PASSAIC	$28,909	$775,207	$754,121	$21,087
LITTLE FALLS TWP	PASSAIC	$24,819	$22,556	$48,214	$0
NORTH HALEDON BORO	PASSAIC	$631	$996,494	$995,863	$631
PASSAIC CITY	PASSAIC	$0		$0	$0
PATERSON CITY	PASSAIC	$0		$0	$0
POMPTON LAKES BORO	PASSAIC	$0		$0	$0
PROSPECT PARK BORO	PASSAIC	$0		$0	$0
RINGWOOD BORO	PASSAIC	$4,000	$4,000	$0	$4,000
TOTOWA BORO	PASSAIC	$768,305	$650,000	$0	$650,000
WANAQUE BORO	PASSAIC	$363,848	$1,990,405	$1,632,142	$358,264
WAYNE TWP	PASSAIC	$1,380,072	$3,548,332	$2,739,483	$808,849
WEST MILFORD TWP	PASSAIC	$37,224	$421,522	$386,580	$34,942
WOODLAND PARK BOROUGH	PASSAIC	$183,226	$910,655	$737,830	$172,825
ALLOWAY TWP	SALEM	$0		$0	$0
ELMER BORO	SALEM	$0		$0	$0
ELSINBORO TWP	SALEM	$0		$0	$0
LOWER ALLOWAYS CREEK TWP	SALEM	$0		$0	$0
MANNINGTON TWP	SALEM	$0		$0	$0
OLDMANS TWP	SALEM	$103,064	$66,245	$29,222	$37,023

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
PENNS GROVE BORO	SALEM	$0		$0	$0
PENNSVILLE TWP	SALEM	$32,802	$13,425	$10,500	$2,925
PILESGROVE TWP	SALEM	$53,581	$119,855	$75,945	$43,910
PITTSGROVE TWP	SALEM	$261,079	$339,772	$99,723	$240,049
QUINTON TWP	SALEM	$0		$0	$0
SALEM CITY	SALEM	$0		$0	$0
CARNEYS POINT TWP	SALEM	$45,457	$17,081	$8,377	$8,704
UPPER PITTSGROVE TWP	SALEM	$19,789	$454,231	$284,884	$169,347
WOODSTOWN BORO	SALEM	$0		$0	$0
BEDMINSTER TWP	SOMERSET	$204,582	$1,739,807	$1,707,595	$32,212
BERNARDS TWP	SOMERSET	$1,095,014	$10,737,467	$10,594,642	$142,825
BERNARDSVILLE BORO	SOMERSET	$1,856,742	$1,317,455	$70,884	$1,246,572
BOUND BROOK BORO	SOMERSET	$0		$0	$0
BRANCHBURG TWP	SOMERSET	$212,680	$167,694	$31,523	$136,171
BRIDGEWATER TWP	SOMERSET	$939,124	$11,090,303	$10,610,188	$480,116
FAR HILLS BORO	SOMERSET	$84,264	$182,197	$228,181	$0
FRANKLIN TWP	SOMERSET	$2,701,585	$7,210,485	$5,183,043	$2,027,442
GREEN BROOK TWP	SOMERSET	$209,708	$424,564	$365,774	$58,790
HILLSBOROUGH TWP	SOMERSET	$3,564,705	$3,847,664	$650,742	$3,196,922
MANVILLE BORO	SOMERSET	$128,457	$103,369	$12,750	$90,619
MILLSTONE BORO	SOMERSET	$0		$0	$0
MONTGOMERY TWP	SOMERSET	$698,291	$1,866,945	$1,838,736	$28,209
NORTH PLAINFIELD BORO	SOMERSET	$0		$0	$0
PEAPACK-GLADSTONE BORO	SOMERSET	$111,526	$300,133	$484,920	$0
RARITAN BORO	SOMERSET	-$123,999	$329,896	$454,411	$0
ROCKY HILL BORO	SOMERSET	$6,765	$7,841	$1,176	$6,665
SOMERVILLE BORO	SOMERSET	$0		$0	$0
SOUTH BOUND BROOK BORO	SOMERSET	$0		$0	$0
WARREN TWP	SOMERSET	$564,949	$7,353,710	$7,696,462	$0
WATCHUNG BORO	SOMERSET	$856,133	$1,788,937	$1,301,729	$487,208
ANDOVER BORO	SUSSEX	$3,588	$3,588	$0	$3,588
ANDOVER TWP	SUSSEX	$16,266	$41,788	$25,951	$15,837
BRANCHVILLE BORO	SUSSEX	$3,490	$3,363	$0	$3,363
BYRAM TWP	SUSSEX	$19,334	$55,110	$62,523	$0
FRANKFORD TWP	SUSSEX	$398,071	$620,589	$320,000	$300,589
FRANKLIN BORO	SUSSEX	$208,312	$179,039	$0	$179,039
FREDON TWP	SUSSEX	$0		$0	$0
GREEN TWP	SUSSEX	$300,985	$409,189	$275,913	$133,276
HAMBURG BORO	SUSSEX	$0		$0	$0
HAMPTON TWP	SUSSEX	$150,779	$145,563	$0	$145,563
HARDYSTON TWP	SUSSEX	$131,411	$2,079,361	$2,151,568	$0
HOPATCONG BORO	SUSSEX	$147,131	$116,925	$0	$116,925
LAFAYETTE TWP	SUSSEX	$20,246	$253,007	$243,728	$9,279
MONTAGUE TWP	SUSSEX	$9,705	$7,691	$0	$7,691
NEWTON TOWN	SUSSEX	$129,185	$134,078	$105,620	$28,458
OGDENSBURG BORO	SUSSEX	$0		$0	$0
SANDYSTON TWP	SUSSEX	$49,215	$34,878	$0	$34,878
SPARTA TWP	SUSSEX	$338,137	$2,614,622	$2,579,607	$35,015
STANHOPE BORO	SUSSEX	$8,903	$8,838	$0	$8,838
STILLWATER TWP	SUSSEX	$73,081	$92,979	$20,000	$72,979
SUSSEX BORO	SUSSEX	$0		$0	$0
VERNON TWP	SUSSEX	$238,346	$644,899	$430,833	$214,067
WALPACK TWP	SUSSEX	$0		$0	$0
WANTAGE TWP	SUSSEX	$128,721	$291,786	$244,000	$47,786
BERKELEY HEIGHTS TWP	UNION	$508,154	$1,312,245	$1,118,983	$193,262
CLARK TWP	UNION	$0		$0	$0
CRANFORD TWP	UNION	$21,897		$0	$0
ELIZABETH CITY	UNION	$0		$0	$0
FANWOOD BORO	UNION	$22,217	$147,058	$190,390	$0

Municipality	County	04/13/2015 Total Balance	Amount Collected Prior to 04/13/2011	Amount Spent Through 04/13/15	Potential Amount Currently Subject to Transfer
GARWOOD BORO	UNION	$0		$0	$0
HILLSIDE TWP	UNION	$0		$0	$0
KENILWORTH BORO	UNION	$0		$0	$0
LINDEN CITY	UNION	$0		$0	$0
MOUNTAINSIDE BORO	UNION	$0		$0	$0
NEW PROVIDENCE BORO	UNION	$26,559	$356,626	$330,916	$25,709
PLAINFIELD CITY	UNION	$0		$0	$0
RAHWAY CITY	UNION	$0		$0	$0
ROSELLE BORO	UNION	$0		$0	$0
ROSELLE PARK BORO	UNION	$0		$0	$0
SCOTCH PLAINS TWP	UNION	$285,407	$33,117	$0	$33,117
SPRINGFIELD TWP	UNION	$0		$0	$0
SUMMIT CITY	UNION	$1,707,523	$3,473,546	$2,370,285	$1,103,261
UNION TWP	UNION	$1,085,060	$2,183,925	$1,866,692	$317,232
WESTFIELD TOWN	UNION	$0		$0	$0
WINFIELD TWP	UNION	$0		$0	$0
ALLAMUCHY TWP	WARREN	$67,342	$283,403	$260,000	$23,403
ALPHA BORO	WARREN	$0		$0	$0
BELVIDERE TOWN	WARREN	$0		$0	$0
BLAIRSTOWN TWP	WARREN	$118,856	$426,267	$314,905	$111,362
FRANKLIN TWP	WARREN	$3,509	$17,190	$13,690	$3,500
FRELINGHUYSEN TWP	WARREN	$4,628	$9,324	$21,920	$0
GREENWICH TWP	WARREN	$160,803	$2,477,295	$2,347,859	$129,436
HACKETTSTOWN TOWN	WARREN	$5,038	$276,198	$271,850	$4,348
HARDWICK TWP	WARREN	$3,302	$75,032	$76,480	$0
HARMONY TWP	WARREN	$0		$0	$0
HOPE TWP	WARREN	$0		$0	$0
INDEPENDENCE TWP	WARREN	$0		$0	$0
KNOWLTON TWP	WARREN	$56,769	$218,647	$169,435	$49,212
LIBERTY TWP	WARREN	$0		$0	$0
LOPATCONG TWP	WARREN	$176,066	$945,547	$934,781	$10,767
MANSFIELD TWP	WARREN	$24,599	$555,179	$563,003	$0
OXFORD TWP	WARREN	$8,580	$8,580	$0	$8,580
PHILLIPSBURG TOWN	WARREN	$0		$0	$0
POHATCONG TWP	WARREN	$200,555	$505,252	$306,261	$198,991
WASHINGTON BORO	WARREN	$28,087	$33,109	$10,145	$22,964
WASHINGTON TWP	WARREN	$0	$182,448	$182,553	$0
WHITE TWP	WARREN	$0		$0	$0
	State Totals	**$171,277,667**	**$573,103,876**	**$488,986,524**	**$95,853,205**

TABLE 2

Commitment Determinations and Amount of Transfer Based on Reporting vs. Additional Information Submitted

Municipality	County	Transfer Amount Based on Municipal Reporting	Commit Determined From Additional Information	Amount Determined to be Uncommitted and Subject to Transfer	Determination Meeting Date
FRANKLIN LAKES BORO	BERGEN	$1,848,695	$1,848,695	$0	10/20/2014
RAMSEY BORO	BERGEN	$1,196,156	$1,196,156	$0	10/20/2014
FLORENCE TWP	BURLINGTON	$265,269	$265,269	$0	08/26/2014
MOUNT LAUREL TWP	BURLINGTON	$6,568,889	$5,382,076	$0	10/20/2014
CHERRY HILL TWP	CAMDEN	$1,698,749	$1,698,749	$0	08/26/2014
GLOUCESTER TWP	CAMDEN	$610,392	$610,392	$0	08/26/2014
MIDDLE TWP	CAPE MAY	$1,364,803	$1,129,892	$0	10/20/2014
WEST CAPE MAY BORO	CAPE MAY	$17,975	$17,975	$0	10/20/2014
MILLVILLE CITY	CUMBERLAND	$231,993	$231,993	$0	10/20/2014
NORTH CALDWELL BORO	ESSEX	$34,267	$34,267	$0	08/26/2014
WASHINGTON TWP	GLOUCESTER	$345,480	$345,480	$0	10/20/2014
LAWRENCE TWP	MERCER	$1,412,071	$1,412,071	$0	08/26/2014
WEST WINDSOR TWP	MERCER	$0	$0	$0	10/20/2014
SOUTH BRUNSWICK TWP	MIDDLESEX	$2,281,418	$2,281,418	$0	08/26/2014
COLTS NECK TOWNSHIP	MONMOUTH	$302,975	$302,975	$0	10/20/2014
MANASQUAN BORO	MONMOUTH	$528,255	$528,255	$0	08/26/2014
TINTON FALLS BORO	MONMOUTH	$1,650,686	$1,650,686	$0	08/26/2014
CHESTER BORO	MORRIS	$826,726	$826,726	$0	10/20/2014
MENDHAM BORO	MORRIS	$19,796	$19,796	$0	08/26/2014
MONTVILLE TWP	MORRIS	$16,782	$16,782	$0	10/20/2014
MORRIS TWP	MORRIS	$65,984	$65,984	$0	10/20/2014
LONG HILL TWP	MORRIS	$398,781	$398,781	$0	08/26/2014
RANDOLPH TWP	MORRIS	$1,460,765	$1,460,765	$0	08/26/2014
CLIFTON CITY	PASSAIC	$1,698,099	$1,698,099	$0	08/26/2014
OLDMANS TWP	SALEM	$259,529	$259,529	$0	10/20/2014
HOPATCONG BORO	SUSSEX	$71,300	$71,300	$0	10/20/2014
BERKELEY HEIGHTS TWP	UNION	$1,445,133	$1,445,133	$0	10/20/2014
SUMMIT CITY	UNION	$822,624	$822,624	$0	08/26/2014
ALLAMUCHY TWP	WARREN	$276,857	$276,857	$0	10/20/2014
	State Totals	**$27,720,448**	**$26,298,723**	**$0**	