



**New Jersey
Department of Community Affairs**

**SUPERSTORM SANDY COMMUNITY DEVELOPMENT BLOCK GRANT
DISASTER RECOVERY**

**SANDY BLUE ACRES BUYOUT PROGRAM
CDBG-DR FUNDED BUYOUTS**

**SECTION 104 (d) ONE FOR ONE REPLACEMENT
PLAN
(Keansburg Borough)**

July 22, 2019



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I. Overview Of Blue Acres Buyout Program Unit Replacement Plan

- A. **Background** – The New Jersey Department of Community Affairs, Sandy Recovery Division is submitting this Housing Replacement Plan for Superstorm Sandy recovery utilizing Community Development Block Grant Disaster Recovery (CDBG-DR) for the Sandy Blue Acres Buyout Program. This CDBG-DR assisted activity will precipitate the need to replace housing available to low and moderate-income persons in accordance with Section 104(d) of the Housing and Community Development Act of 1974, as amended (HCD Act).

In the wake of Superstorm Sandy's destructive path, thousands of New Jersey renters and homeowners faced daunting and unprecedented challenges in their efforts to rebuild and renew their communities. The storm had a particularly significant impact on, near, or adjacent to the coastline, inland bays and tributaries and rivers. New Jersey's housing recovery will continue to require a multitude of residential development efforts and tactics that will be advanced by the Department of Community Affairs (DCA) utilizing CDBG-DR resources, serving in its role as administering agency.

The State received \$4,174,429,000 in disaster recovery funds to assist recovery efforts, of which \$174,500,000 has been allocated to the Sandy Blue Acres Buyout Program (SBABP). DCA has been tasked with the administration and distribution of the CDBG-DR funds for the buyout program. This program identifies community suffering for repetitive flooding events and engages property owners to accept a buyout to transform these sites into open space to mitigate future disaster impacts across the 9 counties most impacted by Superstorm Sandy. The State developed this program to purchase real property, demolish residential housing units and convert the land into dedicated open space.

As the result of the SBABP purchase and demolition of housing units, the State of New Jersey is required to submit to the U. S. Department of Housing and Urban Development (HUD) information related to the demolition and replacement of housing units on a one-for-one basis since the units purchased will no longer be available to low and moderate-income persons.

This plan is designed to address those instances when a property or properties that are subject to replacement under 24 CFR 42.375 will be appropriately replaced. It is not either intended or designed to identify replacement housing units for those property owners who voluntarily agree to participate in the buyout program. Rather, the plan simply details the manner in which the affordable housing stock will not be reduced, on

a one-for-one basis, due to the removal of properties that are subject to repetitive flooding.

B. Disaster Recovery Waiver:

In accordance with Federal Register Notice for Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) disaster Recovery Funds in Response to Hurricane Sandy (FR-5696-N-0)1 issued March 5, 2013, and the amendment found at Federal Register Notice (FR-5696-N-16) issued September 15, 2015; HUD Notice CPD-13-05, dated July 30, 2013; the one-for-one replacement requirements at Section 104(d)(2)(A) (i)-(ii) and (d)(3); and 24 CFR 42.375 may be waived in connection with funds allocated for lower-income dwelling units that are damaged by the disaster and not suitable for rehabilitation.

The Section 104(d) one-for-one replacement requirements generally apply to units to be demolished or converted and are occupied or vacant occupiable lower-income dwelling units. This waiver, however, exempts disaster-damaged units that meet the Grantee's definition of "not suitable for rehabilitation", from the one-for-one replacement requirements.

Additionally, when other units that are not substandard and are suitable for rehabilitation are identified in areas that are subject to repetitive flooding, they are still deemed eligible for acquisition and demolition by the Sandy Blue Acres Buyout Program using CDBG-DR funds as a mitigation effort. These units do not however qualify for the waiver and are subject to one-for-one replacement.

C. Definition – Substandard Structures “Not Suitable for Rehabilitation”

The State of New Jersey, in accordance with the requirements has established the definition of structures "not suitable for rehabilitation" in "Action Plan Amendment #14", consistent with the waiver and allowances in Federal Register Notice FR-5696-N-01. Specifically, "not suitable for rehabilitation" is defined as the following:

1. Substandard dwellings that cannot be brought into compliance with the New Jersey Sandy recovery programs' housing rehabilitation standards, and/or applicable state and local code requirements, shall be deemed not suitable for rehabilitation, as determined by the program and consistent with program guidelines. The determination may be established based upon the calculation that the cost of rehabilitation exceeds 75% of the market value of the property or that the property is deemed a blighted structure consistent with state or local

ordinance; in which case the property would be a candidate for demolition and/or reconstruction and not subject to one-for-one replacement.

OR

2. A “blighted structure” is any structure unfit for use, habitation or dangerous to persons or other property. In addition, a structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a risk to human health, safety, and public welfare. This includes structures showing evidence of physical decay or neglect, or lack of maintenance. Characteristics may also include any nuisance conditions including but not limited to:

Any “Nuisance” as defined by law, or

- a. Any residential property that poses a public nuisance, which may be detrimental to the health or safety whether in a building, on the premises of a building, or upon an unoccupied lot. This includes, but is not limited to: abandoned wells, shafts, basements, excavations, unclean swimming pools or spas, abandoned iceboxes, refrigerators, motor vehicles, and any structurally unsound fences or structures, lumber, trash, or debris which may provide a hazard for inquisitive minors;
- b. Unsanitary conditions or anything offensive to the senses or dangerous to health including, but not limited to, the emission of odors, sewage, human waste, liquid, gases, dust, smoke, vibration or noise, or whatever may render air food, or drink detrimental to the health of human beings;
- c. Physical conditions such as, but not limited to, old, dilapidated, abandoned: scrap or metal, paper, building materials and equipment, bottles, glass, appliances, furniture, rags, rubber, motor vehicles, and parts thereof;
- d. Physical conditions posing fire hazards; or
- e. Physical conditions posing a hazard such as but not limited to dead or damaged trees.

OR

3. Residential properties that have experienced repetitive losses under FEMA’s National Flood Insurance Program (NFIP).

II. Plan for Replacement of Units Acquired by Sandy Blue Acres Program

A. Description of the activity:

The New Jersey Department of Environmental Protection (DEP) is administering the SBABP to purchase residential properties from willing sellers in areas identified as subject to repetitive flooding and have experienced significant flood damage. Eligible property owners will receive compensation as determined through a uniformly applied valuation process established by SBABP that is equivalent to the property’s fair market value prior to October 29, 2012. Upon the property being acquired by DEP, any existing structures will be demolished, and the property will be deed restricted and maintained as permanent public green space for passive recreation and/or conservation purposes.

The areas located within Keansburg Borough (Monmouth County) that are eligible for voluntary buyouts are primarily residential in character and will consist of one or more of the following characteristics:

- Areas of a community that experienced flood damage from *Superstorm Sandy*;
- Areas of the community within the South River basin that received flood damage attributed to *Superstorm Sandy*, Hurricane Irene or Tropical Storm Lee;
- Areas of a community that lie within a floodplain and have high concentrations of severely damaged homes from *Superstorm Sandy*;
- Areas of a community with homes for which repeated flood insurance claims have been submitted under the National Flood Insurance Program (NFIP);
- Other areas of the community with clusters of homes, or whole neighborhoods that have experienced flood damage; and
- Other areas of the community where the buyout of flood prone properties will meaningfully enhance overall community resilience against future flooding.

B. Location and Inventory of Units to be demolished:

**KEANSBURG BOROUGH,
NEW JERSEY**

The SBABP will acquire four (4) residential properties in Keansburg Borough, of which one (1) housing unit will be required to be replaced on a one-for-one basis. The property address is as follows:

	Address	# of units	Multi-Family	# of bedrooms	Location of Replacement Units
1	63 Creek	1	N	4	138 Carr Ave, Keansburg
		1		4	

Listed is the residential unit that will be purchased and demolished, along with the affordable housing project which shall serve to replace this unit, and the schedule when the replacement unit will be available.

Units Identified for Demolition - Keansburg			
Unit Size	2019	Total Units	Total Bedrooms
4 bedroom	1	1	4
TOTAL	1	1	4

(See Attachment A (1) – Map for Keansburg Borough Buyout Property)

Location of Replacement Unit - Keansburg Borough			
Project	4 bedroom	Total Units	Total Bedrooms
138 Carr Ave, Keansburg	1	1	4
TOTAL	1	1	4

1. 138 Carr Ave, Keansburg, NJ 07734

Schedule for Replacement of Demolished Unit - Keansburg Borough			
Unit Size	2019	Total Units	Total Bedrooms
4 bedroom	1	1	4
TOTAL	1	1	4

(See Attachment A (2) – Map for the Replacement Housing Development)

Attachment A

**Blue Acres Program
Keansburg**



Prepared July 22, 2019

- (1) Keansburg Buy-Out Property: 63 Creek Road, Keansburg, NJ 07734
- (2) Keansburg Replacement for Buy-Out Program: 138 Carr Avenue, Keansburg, NJ 07734

Schedule for completion or conversion:

Residential properties that successfully close and transfer title through the SBABP shall be demolished as soon as reasonably practicable. Traditionally, this occurs within 90 to 150 days post property closing. All eligible occupied and vacant occupiable lower-income dwelling units demolished or converted to a use other than as lower-income dwelling units in connection with a CDBG-assisted activity must be replaced with comparable lower-income dwelling units.

C. Source of funding and timing for replacement of units:

Funding for the replacement units will be provided through the Department of Community Affairs and the New Jersey Housing and Mortgage Finance Administration (HMFA) for the development and restoration of multi-family housing units. Funding will be from the Community Development Block Grant – Disaster Recovery (CDBG-DR) program received from the U.S. Department of Housing and Urban Development (HUD), along with Low Income Housing Tax Credits (LIHTC) awarded annually by HMFA.

D. Basis for determining replacement units will remain affordable for at least 10 years:

All affordable housing developments receiving financing from HMFA must maintain affordability, consistent with the LIHTC program for a minimum of fifteen (15) years and is enforced by a regulatory agreement, deed restrictions and a mortgage.