

# Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM)

## 1. Program Description

### A. Allocation for Activity

\$1,238,602,996 (includes both direct program and program delivery)

### B. Program overview (including intended program goals)

The Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program assists eligible applicants whose homes were damaged by Superstorm Sandy to complete the necessary work to make their homes livable and compliant with flood plain, environmental, and other State and local requirements. The RREM Program is intended to supplement other funds the owner has received to repair or reconstruct the structure. The RREM Program provides grants to eligible applicants up to \$150,000.

The application period for this program is now closed and no new applications are being accepted.

## 2. Method of Distribution

### A. Eligible Applicants

To be eligible for the program, the homeowner must meet the following requirements:

- At the time of the storm (October 29, 2012) the damaged residence must have been owned and occupied by the applicant as the applicant's primary residence. Second homes, vacation residences, and rental properties are not eligible for RREM assistance.
- The applicant must have registered for FEMA assistance prior to May 1, 2013.
- In accordance with the Stafford Act, applicants that previously received disaster recovery assistance after September 14, 1994 are required to obtain and maintain adequate and necessary flood insurance coverage. DCA will verify prior to executing a grant award that any applicant that has received prior disaster recovery assistance has maintained flood insurance, if required.
- The residence must have sustained damage as a result of Superstorm Sandy with a Full Verified Loss (FVL) of at least \$8,000 or at least one foot of water on the first floor, as determined by FEMA, its sub-agencies, or affiliates. If FEMA records do not confirm the minimum level of damage, inspection data from the Small Business Administration (SBA) will be reviewed to determine if those records indicate an eligible level of damage. If data from these sources do not confirm the minimum level of damage, the applicant will be determined ineligible. The applicant will be

notified in writing and offered an opportunity to submit acceptable third party documentation as noted below to verify the damage level. This review will follow the process in accordance with the appeals policy. The third party information that may be submitted as acceptable damage eligibility documentation included the following:

- Applicants must have verified total household income that does not exceed \$250,000.

***B. Eligible Locations and properties (if applicable)***

The damaged residence must be located in one of nine designated counties: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean, or Union.

No RREM funding can be provided to applicants whose homes are located in a Special Flood Hazard Area (100 year flood plain) in municipalities not participating in or suspended from participation in the National Flood Insurance Program including: Alpine, Cliffside Park, Englewood Cliffs, Union City, Freehold Boro, Shrewsbury, and Winfield.

***C. Eligible Beneficiaries (if applicable and different than applicants)***

Beneficiaries must have owned their home at the time of the storm, and used the home as their primary residence. They must have registered for FEMA and had a loss of at least \$8,000 or at least one foot of water.

***D. Program targeting (including if there is an LMI preference or it has a residency or nine counties requirement)***

Pursuant to the approved Action Plan, all of the funding will be spent in the nine most impacted counties.

***E. Summary of How Funds are Distributed and Application process***

Recipients of RREM funds will be prioritized based on the following:

- Seventy percent (70%) of funds are reserved for Low to Moderate Income (LMI) applicants. Thirty percent (30%) are reserved to non-LMI applicants. Uncapped income limits will be used to determine LMI status, as approved by HUD.
- Once all LMI applicants have been funded who applied to the RREM Program, any non-LMI applicants still waitlisted will be served based on available funding, even if funding these applicants effects the distribution of funds between LMI and non-LMI applicants as described above.

Two priority levels have been established to enable the Program to serve households with the greatest needs:

- Priority 1: Homes with “substantial damage,” as determined by New Jersey floodplain managers or as determined by DCA, regardless of zone, and,
- Priority 2: (if demand and funds remain after Priority 1): Homes with severe/major damage.

RREM funds can be used for either rehabilitation or reconstruction of damaged dwellings. RREM program managers will make a recommendation for reconstruction or rehabilitation based on the ratio of the cost of repair, including elevation if required, to the cost of the lowest composite price of a standard model house of equal number of bedrooms; including demolition if applicable.

Ratios greater than or equal to 75% will result in a reconstruction recommendation, while ratios less than 75% will result in a rehabilitation recommendation. Applicants are able to select reconstruction or rehabilitation for a home that has the ratio of a cost to repair to the cost of the lowest composite price standard model home of equal number of bedrooms between 50% and 100%. This will be considered cost reasonable.

Eligible applicants who have received a preliminary award letter may elect to receive a reimbursement payment, less retainage if applicable, (up to the maximum award of \$150,000) for eligible costs incurred from the date of the storm (October 29, 2012) up to the applicant’s date of application.

#### ***F. Appeal Process***

The State of New Jersey Department of Community Affairs (DCA) has tasked the Superstorm Sandy Housing Advisors to administer the initial administrative appeals process for three of its Sandy recovery programs funded through the Community Development Block Grant Disaster Recovery (CDBG-DR) program. Housing Center staff shall inform any applicant that appeal determinations of Housing Recovery staff for the Homeowner Resettlement Incentive Program, the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program, the Landlord Rental Repair Program (LRRP), and the LMI Homeowner Program are filed directly to DCA, Sandy Recovery Division.

The DCA Office of Compliance and Monitoring will undertake an initial review of the relevant facts pertaining to the appeal for each of the programs, listed above. If the initial review of the appeal conducted by a three (3) person panel, made up of staff of the DCA Office of Compliance and Monitoring, upholds the determination of the Housing Program staff, the applicant shall be notified in writing and provided instructions regarding their rights to formally file an appeal. The intention to file a formal appeal must be filed within

the prescribed period as set forth herein. Initial reviews of determination that are not overturned by the DCA Office of Compliance and Monitoring are appealable. If the facts of the case can be contested, the case will be referred to the Office of Administrative Law (OAL) for a hearing. In cases where the facts are non-contested, the DCA Commissioner will issue a Final Decision which is appealable to the New Jersey Superior Court, Appellate Division.

Appeal determinations not overturned by OAL and upheld by the DCA Commissioner are also appealable to the Appellate Division in accordance with New Jersey State law.

Appeals are limited to actions or decisions that the individual making the appeal (Petitioner) believes to be in conflict with stated program policies or to be based on contestable facts. Program policies established by DCA are not appealable. The following are examples of decisions subject to administrative appeal:

- FEMA registration determination
- Minimum damage threshold determination
- Owner occupied, primary residency determination
- Determination of income

Decisions Not Subject to Appeal (non-contested matters) include, but are not limited to, the following:

- Eligible county determination (program policy (excl. LRRP) requires that applicants live in one of the nine most impacted counties as specified in the Federal Register Notice of March 5, 2013);
- Incomplete or non-existent applications for any of the programs;
- The terms and conditions of any required legal agreement such as the Grant Agreement, Escrow Agreement, Promissory Note, and the like;
- Determination of Pre-Storm Value of the damaged residence may not be appealed to the program, but homeowners may appeal the determination to the local taxation authority;
- Requirements imposed by Federal, State, or local law or regulation;
- Decisions of a local Flood Plain Manager may not be appealed to the Housing Advisor, but may be appealed directly to the Flood Plain Manager;
- Environmental determination;

- If the municipality of the damaged residence opted out of flood insurance, the applicant does not qualify for any program;
- Determination of award amount; and
- Determination of Duplication of Benefits.

Appeal requests to the DCA Sandy Recovery Division must be postmarked within thirty (30) calendar days of the date of service. Information about the appeal process is available at: <http://www.renewjerseystronger.org/appeal> Information can be also received by calling the Housing Assistance Hotline at 1-855-726-3946. Appeals must be submitted in writing to:

ReNewJersey Stronger Appeals  
P.O. Box 32128  
Newark, New Jersey, 07102.

The applicant's written request should contain the following information:

- Applicant's name,
- Address of damaged residence,
- Applicant's mailing address,
- Applicant's telephone number,
- Email address (if available),
- The reason(s) the decision or action is being appealed,
- Documentation that supports the request to overturn the decision or action, and
- Application number (RSP#, RRE# and/or SRP#).

Appeals will be received and processed by the DCA Operations staff. Appeals will be date stamped when received and placed on a log for tracking. The DCA Operations staff will submit the written notice of appeal to the DCA Office of Compliance and Monitoring within twenty (20) calendar days of receipt.

DCA Office of Compliance and Monitoring staff will initially review appeals relating to actions or decisions made by the DCA Housing Program staff. This staff is independent from the Housing Division that originally made the decision being appealed. If appropriate, the DCA Office of Compliance and Monitoring staff will overturn the initial decision and notify the DCA Housing Program staff. If the DCA Office of Compliance and Monitoring determines that the determination or decision should stand, they will prepare an appeals worksheet and documentation to support the decision for the submission of the appeal to the OAL. The DCA Sandy

Recovery Division Appeal Board, consisting of three (3) members shall review the appeal documentation presented by the DCA Office of Compliance and Monitoring. The Appeal Board shall render a decision by majority vote.

If appropriate, the DCA Compliance and Monitoring staff may contact the applicant to allow him/her to provide additional documents to address any deficiency or incomplete information, or to be interviewed to determine the merits of the applicant's appeal.

If the action or decision of the Housing Program staff is overturned by DCA Appeal Board, notification will specify the corrective action to be taken. For contested cases where ineligibility has been upheld, the Sandy Recovery Division will render a decision and notify the applicant of the decision in writing by certified mail. For non-contested cases, the DCA Commissioner will issue a Final Agency Decision.

The decision of the Sandy Recovery Division may be appealed by submitting a petition for a formal hearing before the OAL within thirty (30) days of the date on the letter the applicant receives regarding DCA's final decision. Only contested cases will be forwarded to the OAL.

The written request must be addressed to:

Department of Community Affairs  
Appeals Officer  
Appeals Unit, Sandy Recovery Division,  
P.O. Box 823  
Trenton, NJ 08625.

The 30 day appeal period begins 5 days from the date of mailing (the date on the letter) not the date of receipt. If an appeal is forwarded to the OAL a formal hearing before an Administrative Law Judge (ALJ) will be held. The ALJ will issue an initial decision for review by the DCA Commissioner.

For contested cases, the DCA Commissioner will review the initial decision by the OAL and issue a final decision, accepting, modifying, or rejecting the ALJ's initial decision. The OAL decision and the final decision will both be sent to the petitioner at the address provided.

Non-contested cases will not be referred to the OAL. The DCA Commissioner will instead issue a Final Agency Decision which will be appealable directly to the New

Jersey Superior Court, Appellate Division.