

## Discussion Points

1. Established in 1974, the Community Disaster Loan (CDL) program, managed by the Federal Emergency Management Agency, (FEMA) 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 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 may apply for a Community Disaster Loan.

The State is required to endorse all CDL program applications and co-sign the promissory note. 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 loss greater than 5% of annual collections due to the impact of Hurricane Sandy to apply for federal assistance through the CDL program. In response to a Fiscal Year 2014 OLS Discussion Point, the DLGS stated that 47 units of local government (1 county, 3 fire districts, 5 local authorities, and 38 municipalities) had notified the DLGS of their intent to apply for a Community Disaster Loan. The DLGS completed its review of 9 applications and forwarded those applications to FEMA for review and final approval. According to a press release issued by the Department of Community Affairs on May 13, 2013 12 local units received assistance in the first batch Community Disaster Loans. The table below lists those local units awarded a Community Disaster Loan as of May 2013.

Local Government Entity	Loan Amount
Atlantic Highlands Borough	\$2,108,876
Keansburg Borough	\$3,954,766
Lavallette Borough	\$2,712,475
Little Egg Harbor Township	\$4,319,506
Little Silver Borough	\$1,829,234
Mantoloking Borough	\$831,074
Oceanport Borough	\$1,154,931
Sea Bright Borough	\$1,297,273
Stafford Township	\$5,000,000
Toms River Township	\$5,000,000
Toms River Fire District #1	\$1,550,078
Toms River Municipal Utilities Authority	\$4,679,306
<b>Total</b>	<b>\$34,437,519</b>

The press release also noted, “More than 30 other local governments are in some state of the application and federal review process.” According to the *Fiscal Year 2015*

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*Budget Summary*, nearly \$175 million in Community Disaster Loans have been obligated for New Jersey and more than \$70 million has been disbursed.

- **Question:** Please identify each local unit that has received a federal Community Disaster Loan, and the amount awarded, since the initial funding announcement in May 2013. How much has been disbursed to each local unit? Does the department anticipate each local unit will need to draw down the full amount of its Community Disaster Loan? Please specify any applications that were not endorsed by the State, or were denied by FEMA, and the reasons for non-endorsement or denial. What progress have Community Disaster Loan recipients made in recovering any revenues lost due to the impact of Hurricane Sandy?

The Community Disaster Loan program is a federally-administered program. It is not administered by the State of New Jersey. The State is not required to co-sign the promissory notes of applicants as collateral for loans and has not elected to do so in the case of any application.

FEMA has provided the following information about applicants as of March 20, 2014:

- 60 loan applications were forwarded to the Governor's Authorized Representative (GAR) by local governments. (During the period of a Declaration of Emergency, a Governor appoints a lead representative or GAR to coordinate with the federal government.) FEMA provided technical assistance to all interested local governments enabling them to understand the program and assisted them with the preparation of loan applications. As a result of the assistance by FEMA, applications received by the GAR were fully vetted and were in a form that allowed the applications to be forwarded to FEMA for final determination. A list of the applications and final awards is attached (Attachment A).
- One application (Atlantic County) was recently forwarded to the Governor's Authorized Representative and is pending review.

Community Disaster Loan recipients have experienced varying levels of recovery with respect to their revenues and a generalization obviously has limits. Some municipal ratable bases and other sources of revenue are nearly fully recovered. One example is Asbury Park where little damage occurred to its ratable base but significant damage occurred to such revenue generators as parking meters. The meters have since been replaced. Other sources of municipal revenues are steadily returning as businesses and homes are rebuilt and property tax ratables and utility customers return.

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2. New Jersey's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan allocates \$60 million for the Essential Services Grant Program. The Essential Services Grant Program provides financial assistance to local government entities in those instances where Community Disaster Loans are either unavailable or insufficient to fund the continuation of eligible essential public services, such as police and fire protection, health and welfare (including public works, garbage collection and disposal, and water/sewer supply), and education. According to Local Finance Notice (LFN) No. 2013-15, local governments that applied for Community Disaster Loans and continue to experience funding gaps that prevent adoption of a budget that delivers essential services may apply for additional financial assistance through this program. The Division of Local Government Services (DLGS) applied for Essential Services Grants on behalf of municipalities either subject to State oversight through the Transitional Aid to Localities Program or that are under State financial supervision pursuant to the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.).

The LFN states, "Applying for an Essential Services Grant is a declaration that the local government is incapable of providing essential services due to Superstorm Sandy impacts even after the exhaustion of insurance proceeds and federal assistance, including, but not limited to, the FEMA Public Assistance grants, and Community Disaster Loans. Essential services include those services directly necessitated by Superstorm Sandy itself (i.e., extra police patrols, increased public works efforts, or education services for dislocated students) and basic essential services critical to preventing population flight and blight, such as basic public safety, public works, and education services that could not continue to be provided absent an essential services grant." The receipt of an Essential Services Grant is conditioned on the local unit: (1) applying for insurance payments and all available federal assistance; (2) demonstrating cost restraints to minimize the need for assistance; (3) agreeing to allocate Essential Service Grant Funds only to essential services in accordance with CDBG requirements; (4) ensuring updated emergency management plans; and (5) demonstrating a commitment to rebuilding public property and the pursuit of shared services or consolidation as deemed appropriate by local officials to address changed populations or service models. According to information available through the Superstorm Sandy CDBG-DR Dashboard, 9 municipalities were awarded Essential Services Grants totaling \$44.9 million; of that amount, \$22.7 million has been disbursed.

On December 31, 2013, the DLGS announced the availability of a second round of Essential Services Grant Funding in Local Finance Notice No. 2013-26. The second round of funding is open to municipalities, counties and authorities that received and will have exhausted Community Disaster Loans by the end of Calendar Year 2014 or Fiscal Year 2015 and demonstrated Calendar Year 2014 or Fiscal Year 2015 financial hardship directly attributable to Superstorm Sandy such that the local government will be unable to provide essential services. Municipalities, counties, and authorities that intended to apply for an Essential Services Grant in the second round were required to notify the DLGS of their intent to apply no later January 31, 2014. In addition to other program requirements, the LFN states, "The Director reserves the right to impose any budgetary or other conditions on grant awards deemed necessary to fulfill program objectives and ensure (the) awardee's fiscal integrity." CBDG-DR Action Plan Amendment No. 7, which outlines the State's allocation of the second tranche of CDBG-DR funding, recommends a funding level of \$90 million for the Essential Services Grant program.

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• **Question:** Please list the local units that applied for Essential Services Grants in the initial funding round and the total amount of funding requested. Please also list the municipalities, counties, and authorities which notified the DLGS of their intent to apply for an Essential Services Grant in the second funding round and the total amount of funding requested by each. When will grant awards be announced? Are Essential Services Grant recipients subject to any enhanced State oversight of their fiscal affairs? If so, does the DLGS have adequate fiscal and staff resources to provide that oversight? Please identify each instance where the awarding of an Essential Services Grant has resulted in the consolidation of local units or shared services, and the services shared.

The following lists show CY 2013 applicant request/awards:

- Asbury Park - \$350,000/\$350,000
- Atlantic City - \$7,497,707/\$7,497,707
- Berkeley Township - \$7,000,000/\$0
- Brigantine Board of Education - \$24,093/\$24,093
- Keansburg Board of Education - \$733,931/\$271,413
- Lavallette Board of Education - \$63,000/\$63,000
- Little Egg Harbor Board of Education - \$254,128/\$254,128
- Ocean County - \$10,000,000/\$7,288,937
- Pinelands Board of Education - \$84,208/\$84,208
- Sea Bright - \$1,075,000/\$1,075,000
- Toms River - \$23,000,000/\$15,510,417
- Toms River Regional Board of Education - \$12,500,000/\$12,500,000

The following list shows each local government that submitted an "intent to apply" in 2014 with the amount they intend to request:

- Atlantic City - \$9,375,000
- Berkeley Township - \$3,750,000
- Brick Township - \$3,750,000
- Downe Township - \$32,264
- Highlands Borough - \$340,000
- Lavallette Borough - \$42,025
- Moonachie Borough - \$391,907
- Ocean County - \$9,216,702
- Sea Bright Borough - \$2,318,564.09
- Seaside Heights Borough - \$2,905,000
- Seaside Park Borough - \$1,500,000
- Seaside Park Board of Education - \$194,115
- Toms River Fire District #1 - \$1,162,559
- Toms River Township - \$17,500,000
- Toms River Regional Board of Education - \$12,405,491.02
- Union Beach Borough - \$466,500

Awards will be made only after a thorough review of applications, and it is the goal of the Division of Local Government Services (LGS) to have awards announced by mid-May so that timely adoption of 2014 budgets can be achieved. The Division performs annual budget examinations (instead of once every three years) of all funding recipients. Two additional

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financial staff will be hired to provide additional oversight. Essential Services Grants are limited to providing support for designated services. As part of program oversight, staff will continue to examine ways for municipalities to be more efficient, such as developing new shared services. However, since CDBG-DR funds are to provide short-term essential service support, the immediate program goal must focus solely on stabilizing municipal services.

- **Question: What criteria, assumptions, and projections were used by the DLGS to determine the recommended funding allocation for the second tranche of CDBG-DR funding? Why is the department requesting a 50% increase in funding for the Essential Services Grant Program from the second tranche of CDBG-DR funding?**

In the first round of funding \$130 million from either the Community Disaster Loans and/or CDBG-DR Essential Services Grants was allocated to approximately 60 different local governments in 2013. Though municipalities have made strides to recover and replace lost revenue sources, a significant revenue shortfall for essential services is anticipated in 2014.

The challenge is made more difficult in that FEMA Community Disaster Loans are awarded by FEMA only once, for 2013, and additional FEMA loans will not be provided. Many of the most hard hit, recovering units of local government are expected to need further financial support in 2014 and 2015. For this reason, the State's CDBG-DR funded Essential Services Grant program, which provided supplementary financial assistance to hard hit recovering units of local government in 2013 in tandem with FEMA Community Disaster Loans, proposes to provide ongoing support, as needed, to hard hit recovering units of local government in 2014 and 2015. The State is currently seeking an additional \$85 million from HUD in second round CDBG-DR funds to continue the Essential Services Grants program. In addition, with the almost \$15 million balance in CDBG-DR funds from the first allocation, approximately \$100 million will be available in both of 2014 and 2015.

LGS staff estimates (based on discussions with past recipients of support) that the funding requirement in 2014 will be approximately \$40 million less than in 2013 with the restoration of approximately one third of ratables and other revenue sources (beach badges, parking fees, special hotel/motel taxes, utility fees, etc.) Thus, some level of funds will remain available for 2015.

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3a. The Fiscal Year 2015 budget recommendation for Transitional Aid to Localities is \$121.5 million. Taking into consideration an anticipated lapse of \$9.2 million from Fiscal Year 2014 appropriation, the recommended funding level is an effective increase of \$36.2 million (approximately 42%) above net Fiscal Year 2014 Transitional Aid. In Fiscal Year 2014, 10 municipalities submitted applications requesting \$92.715 million in additional State assistance; 9 municipalities were awarded \$85.337 million in Transitional Aid. Since Fiscal Year 2011, 26 municipalities have been awarded \$510.22 million in Transitional Aid. Some awards have been as low as \$265,000 while others have been as large as \$25 million.

Since Fiscal Year 2012, budget language has permitted the Director of the Division of Local Government Services (DLGS) 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 (CMPTRA) for the next fiscal year. During the Fiscal Year 2012 budget process, the department noted 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). These municipalities remain eligible to apply for additional State financial assistance.

According to Local Finance Notice No. 2014-2, calendar year municipalities were required to notify the DLGS of their intent to apply for Transitional Aid no later than February 12, 2014; applications are due on March 14, 2014. 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 2014 round of Transitional Aid to Localities and the amount of funding that each has requested. Is an 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 that received Transitional Aid in Calendar Year 2013 been granted early termination of their Memorandum of Understanding?**

Calendar year municipalities that have submitted applications and the amounts they are seeking are as follows:

- Atlantic City - \$20,000,000
- Asbury Park - \$2,932,500
- Beverly - \$303,300
- Harrison - \$1,950,000 (CMPTRA Conversion Request)
- Kearny - \$3,000,000
- Penns Grove - \$900,000

## **Discussion Points (Cont'd)**

Fiscal year municipal applicants will not be known until the Fall.

As noted in the list of applicants, both Kearny and Atlantic City have newly applied for funding. The Division expects funding for repeat applicants to generally decline or to be fairly stable.

No prior year recipients of funding have received early termination.

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3b. The Fiscal Year 2015 proposed budget recommends changes and additions to the language provisions governing the Transitional Aid to Localities program. Under the revised language, eligibility for Transitional Aid would be extended to “local government units,” not just municipalities, experiencing conditions of serious fiscal distress. Absent a definition of this term, this could be interpreted to include counties, school districts, authorities or special districts (e.g., fire districts). A new language provision would 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.

The application process for the Calendar Year 2014 round of Transitional Aid is described in Local Finance Notice (LFN) No. 2014-2. The LFN makes reference to only municipalities as applicants for this round of Transitional Aid. It neither makes any reference to proposed eligibility expansion nor describes the application process for other types of local units or municipalities that seek to apply for Transitional Aid due to the destruction of a major business ratable. The LFN states that the Transitional Aid application deadline was March 14, 2014.

**• Question:** How does the DLGS define a “local government unit” in this context? Will other local government units be permitted to apply for Transitional Aid as part of the Calendar Year 2014 round of funding? If so, does the Division intend to release an updated Local Finance Notice? How will the application process for these local government units differ from the application process for municipalities? Please identify which other local government units are anticipated to apply for Transitional Aid to Localities because they are experiencing serious fiscal distress, and the amount of aid requested.

The proposed additional language allows flexibility for LGS to consider financial distress that may arise in other local units of government. The Division is in the process of determining how best to administer the expansion of eligibility. The Division has long sought such additional flexibility to provide confidence to the investment community that New Jersey is authorized to assist in any case where a local government faces an emergent situation. Such assurances help to ensure the lowest possible interest rates for all issuers of debt, regardless of their participation in the Transitional Aid Program.

**• Question:** Will municipalities that are experiencing fiscal distress due to the loss or destruction of a major business ratable be permitted to apply for Transitional Aid as part of the Calendar Year 2014 round of funding? How will the application process be different for these municipalities? What additional criteria, assumptions, and projections does the Division intend to use when evaluating Transitional Aid applications submitted by municipalities experiencing fiscal distress due to the loss or destruction of significant tax ratables? Will these municipalities be under the same level of DLGS oversight that is required of all other municipalities in the Transitional Aid program?

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Any municipality that is experiencing fiscal 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 referenced language. The Division intends to review tax ratable information for 2014 budgets and work individually with municipalities that fall into this category. If the revenue loss is attributable to an event that is singular in nature and the Division determines the local government to be otherwise in sound financial condition, it will not be placed under State oversight as a condition of applying for aid though there will, at a minimum, be quarterly meetings with the local government officials to discuss their financial situation and steps being taken to alleviate their financial stress. The application process has not yet been determined.

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3c. The payment of State Unemployment Insurance (UI) benefits are generally supported through tax collected from employers and employees and deposited in the State's UI trust fund, within the federal Unemployment Trust Fund. The New Jersey "unemployment compensation law (R.S.43:21-1 et seq.) establishes the State tax rate for both employers and employees. The tax rate is applied to income earned up to the statutorily defined taxable wage base (see R.S.43:21-7). The taxable wage base is 28 times the Statewide average weekly wage for all covered workers, as calculated annually by the Department of Labor and Workforce Development.

Although the majority of employers in the State contribute to the UI trust fund, there are some noteworthy examples. The State, and many of its governmental entities, including schools, municipalities, and local governments, and a majority of non-profit entities do not pay into the UI trust fund on a forward basis through taxes. Instead, they are "reimbursable" employers (see N.J.S.A.43:21-7.2 and 7.3) which reimburse the UI trust fund for any charges on their accounts for benefits to former employees in the previous calendar year. If these employers fail to reimburse the UI trust fund, they are charged an interest rate of 1.25% per month until the required amount is paid. R.S.43:21-14 allows the Assistant Commissioner for Finance and Controller of the Department of Labor and Workforce Development, upon a showing of good cause, to grant an employer or employing unit an extension, not to exceed 30 days, of the time allowed for the payment of the required contribution to the UI trust fund.

Since Fiscal Year 2012, budget language has permitted the Commissioner of Labor and Workforce Development, in consultation with the Commissioner of Community Affairs, to establish an individualized unemployment fund reimbursement plan for a municipality that receives Transitional Aid to Localities in lieu of the standard repayment terms and conditions outlined in current law. During the Fiscal Year 2012 budget process, the department explained that this language provides the Executive Branch with greater flexibility to lessen the immediate financial burden on Transitional Aid recipients, already coping with difficult fiscal conditions, of reimbursing the unemployment fund.

**• Question: Which Transitional Aid recipients have entered into individualized unemployment fund payment plan agreements with the Department of Labor and Workforce Development? What is the total dollar amount owed, for each fiscal year, by each governmental entity? What amount has been repaid? Over what period of time, and at what interest rate, are employer reimbursements being paid to the UI trust fund? Does either the Transitional Aid Memorandum of Understanding or the individualized payment plan agreement require these governmental entities to place funds in reserve for future unemployment insurance claims so that these agreements are no longer necessary?**

The Department of Community Affairs has actively encouraged Transitional Aid recipients that experienced large layoffs to seek payment plans as appropriate, and has encouraged the Department of Labor to approve them if sought. The City of Camden is the only city to request such a payment plan after a significant layoff in 2012. The plan was approved. The current repayment obligation to the Department of Labor is \$250,000 and it will be repaid in FY 2015. The particulars of the arrangement can be obtained from the Department of Labor. Requiring the City to raise taxes or cut services to place funds in a reserve to pay future unemployment claims is counterproductive as it is extraordinarily unlikely that a layoff will be implemented in the foreseeable future in the City of Camden.

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4. On September 20, 2011 the Department of Community Affairs announced that the Division of Local Government Services awarded \$32 million in State aid to the City of Newark. This financial assistance, together with spending reductions and other fiscal initiatives, supported Newark's efforts to close a \$57 million gap in its budget for Calendar Year 2011. Receipt of the State aid was conditioned on the execution of a Memorandum of Understanding (MOU) that was "substantially similar" to terms required under the Transitional Aid to Localities program. In response to a Fiscal Year 2013 Discussion Point on this matter, the department noted that the State 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 engaging in a cooperative effort to enhance Newark's revenue collection efforts. The department also acknowledged that it anticipated that the loan to be converted to a grant because the size of Newark's structural deficit rendered repayment of the loan infeasible<sup>1</sup>. The department estimated that Newark's structural deficit for Calendar Year 2012 would be \$20 to \$50 million.

Newark received \$10 million through the Calendar Year 2012 funding round for the Transitional Aid to Localities program. The receipt of this State financial State assistance required the execution of a new MOU that further restrained municipal government operations. On December 3, 2013, the Office of the State Comptroller released an audit of selected payroll, timekeeping, and operating practices used by Newark. According to the "Summary of Audit Results" the Comptroller's Office found, in part, that: 1) controls were lacking in Newark's payroll processes and with regard to overtime payments; 2) some lump-sum and compensatory time payments were made to fire and police personnel without supporting documentation; and 3) certain supplemental payments were being paid in incorrect amounts to ineligible employees.

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." The Director's letter also noted that Newark will begin 2014 with a "structural imbalance" of \$30 million. At a meeting of the Local Finance Board on March 12, 2014, the Director of Local Government Services stated that the board may ask the Attorney General, as early as April, to request that the Superior Court of New Jersey place Newark under State fiscal supervision pursuant to the "Local Government Supervision Act (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.).<sup>2</sup>

- **Question: Please describe the State's current role in monitoring and auditing the finances of the City of Newark. Are the fiscal monitors still on-site? What is the scope of their responsibilities? How is the presence of a fiscal monitor different**

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<sup>1</sup>The loan to Newark was funded by \$10.9 million in unexpended balances in the Transitional Aid account. The balance (\$21.118 million) was appropriated to the Department of Community Affairs by P.L.2012, c.12.

<sup>2</sup> Subsection (6) of section 55 of P.L.1947, c.151 provides that a municipality may be placed under State financial supervision following "A judicial determination of gross failure to comply with the provisions of the "Local Bond Law" (N.J.S.40A:2-1 et seq.), the "Local Budget Law" (N.J.S.40A:4-1 et seq.), or the "Local Fiscal Affairs Law" (N.J.S.40A:5-1 et seq.) which substantially jeopardizes the fiscal integrity of the municipality."

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**from the level of oversight provided to other municipalities through the Transitional Aid program or State fiscal supervision? If Newark is placed under fiscal supervision, what additional authority would the State have that it does not already have under the Transitional Aid Memorandum of Understanding?**

The Division's role in providing oversight with respect to Newark was set forth in a 2012 budget year MOU as a condition of receiving Transitional Aid. The designation of a monitor in Newark was similar to monitors in other Transitional Aid communities, except that two employees were assigned to Newark due to its size and complexity. That oversight continued through December 31, 2012. Subsequent to December 31, 2012, Newark's budget was subject to the Division's standard review process.

Since that time, as is the case with all municipalities, the Division has been monitoring the City's financial stability and compliance with various budget laws. Particular attention is being paid to Newark because: (1) the size of the structural imbalance appears to be large and growing; and (2) noncompliance with certain budget laws continues. These concerns continue to make an assessment of the seriousness of the budget situation in Newark challenging.

A listing of authority that can (at the direction of the Local Finance Board) be utilized by the State as under the Supervision Act are found at NJSA 52:27BB-54 et seq. The powers are comparable to oversight available to the State as a condition of providing Transitional Aid. However, the State cannot exert oversight pursuant to Transitional Aid unless the City requests such assistance – something Newark has chosen not to do.

**• Question: Has the independent auditor been appointed? If so, when was that appointment made? If not, when does the department expect an independent auditor to be chosen? How much is the audit expected to cost? Which level of government is responsible for paying any costs incurred by the auditor, and from what sources? Please provide additional information regarding the scope of the auditor's review. When is the auditor expected to complete his work? How does the role of the auditor differ from that of the fiscal monitor? What additional actions has Newark taken to close its budget deficit?**

An auditing consultant was hired by the Division in February for the limited purpose of identifying Newark's structural budget problem and the extent to which the City has not been in compliance with budget laws. The firm was retained by the Division pursuant to State contracting regulation. The cost is projected to be less than \$38,000. Their work is to conclude this Spring. The Division is unaware of any substantive actions taken by the City to address the structural budget problem in 2014. We remain in contact with Newark to provide assistance.

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5. On December 7, 2012, the Governor's Office announced the implementation of the Federal Emergency Management Agency's (FEMA) Sheltering and Temporary Essential Power (STEP) Pilot Program in 5 New Jersey counties (Atlantic, Cape May, Middlesex, Monmouth, and Ocean). The STEP Pilot Program allowed homeowners to apply, through their municipalities, for eligible repair work on their residences that would make their homes safe and habitable as permanent home repairs were sought. Participating municipalities were permitted to seek reimbursement through FEMA Public Assistance programs for eligible STEP work conducted or contracted by the municipality. Eligible costs must be reasonable and were limited to \$10,000 per residential unit to include equipment, materials, labor, and any associated inspection fees. Exemptions were permitted after written determinations by the Governor's Authorized Representative and Federal Coordinating Officer.

There were three authorized categories of eligible repair work under the STEP Pilot Program: 1) Residential Electrical Meter Repair, to accelerate power restoration to residences by repairing storm-damaged electrical meters so a utility company could re-energize a qualified residence; 2) Shelter Essential Measures, to provide electricity, heat, and hot water to disaster-impacted residences so occupants could shelter-in-place until more permanent repairs could be made; and 3) Rapid Temporary Exterior Repairs, to protect storm-damaged homes from further damage that presented an immediate threat to life and property, and where appropriate, facilitate sheltering-in-place pending more permanent repairs. According to information released by the Governor's Office, all STEP work must have been completed within 60 days of approval and submission of right-of-entry permission. Expansion of the program beyond the initial 5 counties was to be "evaluated in the future as need is identified."

In response to a Fiscal Year 2014 OLS Discussion Point, the department noted that that 6 municipalities were participating in the STEP Pilot Program and that 375 household signed up for assistance. Details related to costs and types of repairs were not yet available.

• **Question:**In each of the 5 initial counties, respectively: How many homeowners applied for repair work assistance through the STEP Program? How many applications were approved? How many homes required Residential Electrical Meter Repairs, Shelter Essential Measures, and Rapid Temporary Exterior Repairs, respectively? What is the total dollar amount, including equipment, materials, labor, and inspection fees, of all STEP Pilot Program work completed in each of the 5 initial counties under each category of eligible repair work, respectively? What was the average cost of repairs, per residential unit, in each of the 5 initial counties, under each category of work? Was the STEP Program expanded to include other counties, and if so, which ones? For each such county, please provide the same information.

• **Question:**In each of the 5 initial counties, and any county subsequently included: What is the total dollar amount of eligible STEP Pilot Program costs for which municipalities may have sought reimbursement through FEMA Public Assistance? Have any municipalities received any reimbursement from FEMA for eligible STEP Pilot Program costs? If so, in what amounts?

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STEP is a federally-sponsored program established through the FEMA Public Assistance Program. Municipalities apply directly to FEMA in order to make the program available to residents. FEMA reports six municipalities are participating in the program. FEMA only reports cost at the conclusion of the program. The following chart details the present program status as reported by FEMA:

<b>Municipality</b>	<b># of Homeowners Applied</b>	<b># of Homeowners Assessed</b>	<b># of Homeowners Eligible</b>	<b># of Completed Repairs</b>
Margate City	18	18	1	1
Neptune Township	2	2	0	0
Ocean City	39	39	19	19
Sea Bright Borough	131	129	6	6
Tuckerton Borough	5	4	4	0
Union Beach Borough	176	86	27	27
<b>Total STEP as of 3/30/13</b>	<b>371</b>	<b>278</b>	<b>57</b>	<b>53</b>

## Discussion Points (Cont'd)

6. The Fiscal Year 2015 Budget proposes \$8.5 million for Consolidation Implementation Aid. According to the *Budget Summary* these funds will be used to reimburse local governments that have consolidated or entered into shared services arrangement, and an unspecified portion of these funds will assist the Camden County Police force. The Budget also proposes language authorizing the allocation of Consolidation Implementation Aid 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," and 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 (NJCFIS), a supplemental appropriation provided \$6.05 million for these purposes in Fiscal Year 2013. Of that amount, as of March 20, 2014, \$5.850 million was expended, \$114,000 is encumbered, and \$86,000 remains uncommitted. Information available through NJCFIS indicates that these funds were paid to Camden County and Princeton. In its response to a Fiscal Year 2014 OLS Discussion Point, the department noted, "Funding requests are presently under review by the Division of Local Government Services." A Fiscal Year 2014 supplemental appropriation of \$3.2 million was also paid to Camden County.

**• Question: Which municipalities, in addition to Camden County and Princeton, applied for "consolidation implementation funds" in Fiscal Year 2013? In what amounts? With regard to State funds paid in Fiscal Years 2013 and 2014, 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? Since the budget language limits the appropriation of additional financial assistance to municipalities that consolidate or annex, how is the distribution of funds to Camden County in Fiscal Years 2013 and 2014 authorized pursuant to this budget language? What amount of aid will be provided to Camden County in Fiscal Year 2015? Will this aid be confined to non-recurring costs or will it provide an ongoing subsidy?**

No other municipalities applied for funding. Funds approved in 2014 were for major consolidation efforts as noted in documentation supporting requests and payment. All such funds were approved as Directory Letter Appropriations after consultation with the Attorney General's Office. Funds were allocated to cover 100% of the reasonable actual out-of-pocket first year expenses of Princeton and Camden County associated with their participation in consolidation efforts.

2015 applications expected to be submitted include Camden County, South Hunterdon School District and Gloucester County.

**• Question: When does the department anticipate it will make the application for Consolidation Implementation Aid available to municipalities and school districts? What assumptions or projections are the basis for the recommended Fiscal Year 2015 appropriation? Since P.L.2009, c.118 authorized the transfer of the property assessment function from municipalities to the county government, and not the**

**Discussion Points (Cont'd)**

**consolidation of municipalities themselves, how will the distribution of funds to local government units affected by the implementation of P.L.2009, c.118 be made pursuant to this budget language? What amount of funding will be provided to local government units affected by the implementation of P.L.2009, c.118?**

Program implementation is under development. The language as written would allow for a reimbursement of Gloucester County's costs of consolidating assessment functions. This is an example of the substantial activities that the Division anticipates making possible through the use of these funds.

## Discussion Points (Cont'd)

7. The Fiscal Year 2014 Appropriations Act anticipated that \$166 million currently held in municipal affordable housing trust fund balances would be paid to the New Jersey Affordable Housing Trust Fund. These balances are to be received by the State pursuant to sections 8 and 9 of P.L.2008, c.46, which 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 of the date of collection are to be transferred by municipalities to the State trust fund to be used within the same housing region where the funds were initially collected for the purposes of the State trust fund (construction and rehabilitation of affordable housing). The transfer of these funds 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)). According information reported by the State as part of the official statement for the issuance of bonds by the New Jersey Building Authority, the State indicated that the total amount of "uncommitted" municipal affordable housing trust fund balances is \$165 million.

In its most recent ruling on the matter, 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 fund are subject to forfeiture because they have not been spent or committed 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<sup>3</sup>; 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. The official statement also indicates that COAH sent out updated letters consistent with Court's order on June 28, 2013.

Section 5 of P.L.1985, c.222 (C.52:27D-505) provides that COAH consists of 12 members appointed by the Governor with the advice and consent of the Senate. According to information available through the Governor's Office website, 6 of the 12 seats on the Council are vacant. The COAH website does not provide any information regarding any future meetings of the Council. Information regarding the unexpended balances in each municipal affordable housing trust fund, including any amounts that would lapse to the New Jersey Affordable Housing Trust Fund, has not been updated since 2012. The COAH

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<sup>3</sup> 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 a firm and binding obligation to spend such funds in a matter consistent the municipality's affordable housing obligations."

## Discussion Points (Cont'd)

website indicates that all affordable housing trust fund monitoring reports for calendar year 2013 were due by March 14, 2014.

- **Question: Please provide an updated list, by municipality, of the amount remaining in each affordable housing trust fund, and the amount scheduled to lapse to the New Jersey Affordable Housing Trust Fund in 2013, 2014, and 2015.**

All information contained in the attached summary is based on Affordable Housing Trust Fund information as reported by New Jersey municipalities as of March 25, 2014. Year-end totals provided reflect balances as of July in the referenced year to coincide with the adoption of enabling legislation found at NJSA 52:27D-329.2(d). The total statewide balance of funds residing in municipal trust fund accounts was \$156,738,498. This includes all funds collected.

Of the total funds in Municipal Affordable Housing Trust Fund accounts, \$121,081,345 would have lapsed in 2013 unless a municipality is able to verify the funds had been committed. This attached chart (Attachment B) reflects a cumulative total that includes funds that would have lapsed in 2012.

Based on subsequent collections and expenditures, the amount scheduled to lapse is \$12,871,812 for 2014 and \$16,240,891 for 2015. Projected lapse figures for 2015 do not reflect additional expenditures that are as-of-yet unknown.

- **Question: Please identify each municipality which has 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 to consider the Acting Executive Director's findings and issue any orders for the transfer of unexpended municipal affordable housing trust funds?**

No actions have been undertaken by COAH or its staff to seek the transfer of funds from municipal affordable housing trust funds nor have any funds been contested.

## Discussion Points (Cont'd)

8. 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 lapsing or reverting from municipal development trust funds and other monies as may be dedicated by the Legislature for the purposes of the fund. Revenues generated by the collection of 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.<sup>4</sup> 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.

During the Fiscal Year 2014 budget process, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) estimated that the sale of federal low income housing tax credits would generate nearly \$170 million in private equity for affordable housing. The NJHMFA also noted that it had identified approximately \$14 million that would be used to finance the construction of 280 single family homes. Funds raised by the funds raised by the issuance of Home Buyer Mortgage Revenue Bonds would support approximately 1,000 single family mortgages in 2013 and 2014. According to a schedule of non-recurring revenues provided by the Department of the Treasury, \$10 million from the New Jersey Affordable Housing Trust Fund will help balance the Fiscal Year 2015 budget. The Executive Branch has also indicated that \$21.2 million in "surplus funds" will lapse from the New Jersey Affordable Housing Trust Fund to the General Fund at the end of Fiscal Year 2014.

**• Question: What level of non-CDBG-DR funding from the department and the NJHMFA respectively, will be available in Fiscal Year 2015 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 2014 and Fiscal Year 2015 respectively, with State funds, NJHMFA funds, low income housing tax credits NOT supported 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 2014 to date, and what is the full-year revenue projection? What amount of State non-residential development fee collections is projected for Fiscal Year 2015?**

Below are the funding sources anticipated to support affordable housing in Fiscal 2014 and 2015. State funds provide additional housing opportunities in the areas of homelessness prevention, emergency shelters, construction and project-based rental assistance. In addition to the units described below, CDBG-DR funds and other additional federal sources will produce over 1,600 units.

### Fiscal Year 2014

#### Home Buyer Mortgage Program

- Mortgage Revenue Bonds were previously issued to fund the program thru 6/30/14.
- Affordable housing opportunities to be created: 700

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<sup>4</sup> The moratorium on the imposition of the Statewide non-residential development fee, extended by P.L.2011, c.122, expired on July 1, 2013.

## Discussion Points (Cont'd)

### Choices in Home Ownership Incentives Created for Everyone (CHOICE)

- Affordable housing units to be created: 275
- Level of funding: \$10,000,000 (HMFA General Funds)

### Multifamily Rental Housing Program

- Affordable housing units to be created: 1,970 using Low Income Tax Credits and Housing Revenue Bonds including Conduit Housing Bonds *without the benefit of CDBG-DR*.

### Special Needs Housing

- 235 beds will be created in FY 2014. After funding the FY 2014 projects there remains approximately \$23.5 million.

## Fiscal Year 2015

### Home Buyer Mortgage Program

- Affordable housing opportunities to be created: 1,100 mortgages using Mortgage Backed Securities and/or Mortgage Revenue Bonds.

### Choices in Home Ownership Incentives Created for Everyone (CHOICE)

- Affordable housing units to be created: 275
- Level of funding: \$10,000,000 (HMFA General Funds)

### Multifamily Rental Housing Program

- Affordable housing units to be created: 3,135 using Low Income Tax Credits and Housing Revenue Bonds including Conduit Housing Bonds *without the benefit of CDBG-DR*.

### Special Needs Housing

- Affordable housing beds to be created: Another 235 beds will be created using the remaining \$23.5 million in program funds. It is not anticipated that additional funds will be allocated to the Special Needs Program with the possible exception of additional Municipal Affordable Housing Trust Funds.

To date in the municipalities in which the State enforces the Uniform Construction Code, the State has not collected any revenue from the Non-Residential Development Fees. For the remainder of FY 2014, the Department is not aware of any project within its jurisdiction that is expected to pay the development fee. Since the fee is paid based upon the private sector initiating non-residential development, no estimate has been made for FY 2015.

## Discussion Points (Cont'd)

9. The Superstorm Sandy Housing Incentive Program (SSHIP) consists of three programs: the Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) Program, the Homeowner Resettlement Program, and the Small Rental Program. The combined funding amount for these three programs totals \$995 million, approximately 54%, of the first tranche of Community Development Block Grant-Disaster Recovery (CDBG-DR) funds awarded to New Jersey. 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 on New Orleans, LA, was awarded a contract (#A83958) in the amount of \$85,956,848. The contract was set to expire on May 7, 2016.

Of the three programs that make up the SSHIP, the RREM received the largest allocation of CDBG-DR funds – \$710 million. The State initially allocated \$600 million to the RREM program. Through Action Plan No. 4, the State transferred \$110 million in funds allocated for grants and loans to small business to the RREM program because the demand for this program has exceeded available funding. 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 the cost of repairing a home and other funds the homeowner has received to repair the structure from insurance payments, FEMA, the Small Business Administration, or nonprofit foundations. 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<sup>5</sup>; (4) the homeowner must have been registered with FEMA; (5) the homeowner must have an adjusted household adjusted 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 of water as determined by FEMA. According to the CDBG-DR Action Plan, 70% of RREM funds were targeted to benefit low- and moderate-income households while the remaining 30% was targeted to households with adjusted gross incomes of \$250,000 or less.

According to legislative testimony and news reports, the RREM has been plagued by a poorly managed process. Among the issues with the RREM program, applicants have expressed frustration with long delays between the filing of a grant application and a funding determination, repeated requests for information from program staff, and lack of communication between program staff and applicants. After it was found that HGI's use of inaccurate damage assessment data to determine an applicant's eligibility for funding resulted in a large number of denials and appeals, applicants who had been judged to be ineligible for funding were granted additional time to appeal the determination to the department.

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<sup>5</sup> According to Federal Register Notice No. 5696-N-01 (effective March 11, 2013) the nine most impacted and distressed counties are Ocean, Monmouth, Atlantic, Hudson, Bergen, Middlesex, Cape May, Union, and Essex. At a minimum, 80% of CDBG-DR funds must be expended in these counties.

## Discussion Points (Cont'd)

Amendment #1 to Contract #A83958, indicates that an interim agreement between the State and HIG was executed on December 6, 2013 that provides 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 requires 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 are to satisfy outstanding invoices. As interim compensation for work performed during the transition period, the State is also required to pay HGI interim payments of \$1 million on December 20, 2013 and \$500,000 on December 27, 2013.

Neither the State nor HGI have publicly disclosed the reasons for termination of the contract. At a hearing of the of Housing, Transportation, and Community Development Subcommittee of the U.S. Senate Committee on Banking, Housing and Urban Affairs held on March 12, 2014, the Secretary of the federal Department of Housing and Urban Development, Shaun Donovan, indicated that a review of HGI's work is being conducted before New Jersey is awarded its second tranche of CDBG-DR funds totaling \$1.436 billion. Secretary Donovan also noted that federally-required environmental reviews that must be completed before the awarding of grant funds are normally completed in 2 to 6 weeks. State officials have cited these reviews as the cause for program delays. In an article in *The Star-Ledger* published on March 16, 2014, the department indicated that since it had taken control of the RREM Program, "...it has increased training and made a number of changes to speed up the distribution of aid." CDBG-DR Action Plan Amendment No. 7 proposes an allocation of \$390 million for the RREM from the second tranche of CDBG-DR funding.

• **Question:** Please explain why the State terminated its contract with HGI. What amount was HGI paid for services under the contract prior to its termination? Has the State paid HGI the amounts owed on December 13, 2013 and December 26, respectively? If not, why not? What amount of interim compensation has been paid to HGI? Has the State taken any legal action to recover funds from HGI on account of its poor performance?

• **Question:** What entity has been administering the RREM program since HGI's contract was terminated? Has the State assumed this role or has a contract been granted to another private entity? If a private entity has been chosen, what are the terms of the contract (i.e., amount of the total award and length of the contract)? What actions has the department taken to improve its oversight of private contractors hired to manage CDBG-DR programs and the RREM in particular? 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 HGI was under contract, the level involved for the month of March 2014, and the level to which the department plans to provide for the duration of the program. For each of those three levels, what percentage comprises work by private employees and what percentage comprises work by State employees.

## Discussion Points (Cont'd)

On December 6, 2013, the State and HGI agreed to conclude their relationship and entered into a transition period culminating on January 20, 2014, with the DCA taking full control of the functions performed by HGI. Over time, DCA has built out its Sandy Recovery Division to make the State less reliant overall on consulting support. DCA is now managing the nine Housing Recovery Centers; facilitating the application, grant award and construction processes; and overseeing forward-facing staff such as Housing Advisors and call center specialists. To support the DCA in these recovery activities, the State augmented contractor staffing by utilizing existing vendors such as Acro, Atrium, CBI/Shaw, CGI, Gilbane, NJ 2-1-1, URS and ICF.

Presently, the State is reviewing invoices submitted by HGI to determine the validity of the requests. All invoices are subject to reconciliation and adjustment.

The payments listed in the December 6, 2013 amendment were interim payments. Those payments were made, however, with the understanding that:

- HGI was still responsible to submit invoices and supporting documentation for the invoices, consistent with the contract payment structure; and,
- The State still had (and is presently exercising) the right to review those invoices, to reconcile the invoices to the supporting documentation, and to make adjustments where appropriate.

The December 6, 2013 amendment, aside from setting for the agreement to terminate, also creates a dispute resolution process involving a period of informal negotiations to resolve payment issues and, if they are not resolved through those informal negotiations, arbitration.

HGI has submitted invoices in the amount of \$58,343,149.86. To date, the DCA has paid a total of \$35,910,449.02 of the invoices. The State continues to review the supporting documentation for all the invoices that HGI has provided. Most recently on March 24, 2014, HGI provided an additional 2,500 pages of documents to support portions of various invoices.

HGI filed a demand for arbitration in February 2014, but shortly thereafter, put that demand on hold to allow the review of their invoices and to allow the informal negotiations, reconciliation and adjustments to take place. Given that the State has not yet had sufficient time to complete its review of the supporting documentation and that HGI and the State, through counsel, are in discussions about completing that review, it is not possible to say the total amount the State will eventually pay to HGI.

DCA has a robust internal auditing and compliance staff focused on making programs more efficient and cost-effective, and for ensuring compliance with applicable statutes and regulations. These ongoing efforts are supplemented by Navigant Consulting, the integrity monitor hired pursuant to New Jersey's Integrity Oversight Monitoring Act (NJSA 52:15D-1, *et seq.*) to fulfill the requirements of that legislation.

DCA has taken many steps during the course of the recovery to improve the oversight and management of private contractors including:

## Discussion Points (Cont'd)

- Require contractors to submit monthly budgets that detail the estimated level of effort by labor category for review and approval by the State Contract Manager, along with a report of planned activities;
- Hire professional contract officers who are responsible for overseeing the contract terms and conditions; obtaining budgets and forecasts from the contractors, and providing contract management support to the State Contract Managers;
- Develop a billing template for contractors to use to invoice their costs to standardize the contractor billing process; and,
- Establish regular meetings with DCA Program, State Contract Managers and contractors to review performance, contractor costs, and to address issues that arise in their work.

Staffing levels on the program(s) under the HGI contract have fluctuated in response to specific needs and initially included three programs for application intake, including the Resettlement program, the RREM program and the Landlord Rental Repair program. During the intake period, more than 20,000 program applications were received. Additionally, during and also following the intake period, eligibility verification and application processing took place. As the program progressed, a reduction in staffing was possible. At one point, based upon HGI records, as many as 795 full-time equivalent employees worked on RREM under the HGI contract. At the end of the HGI contract period, staffing levels had leveled at approximately 450 full-time staff with various responsibilities associated with application processing.

As the programs continue to evolve, and primarily intake and initial eligibility completed, DCA has moved more into a direct management role with the phase-out of HGI. Under the direction of the DCA, there are approximately 200 full-time staff dedicated to RREM application processing throughout the entire phases of the program. This includes approximately 100 staff in the Housing Recovery Centers and over 80 full-time staff in Trenton and Newark. Of those 200 full-time staff, approximately 30 are DCA direct State employees and the balance were hired through approved contractor staff augmentation.

## Discussion Points (Cont'd)

10. The Community Development Block Grant Disaster Recovery (CDBG-DR) Action Plan allocates \$25 million to the Sandy Special Needs Housing Fund (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 of 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- and 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/or the Fund for the Restoration of Multifamily Housing. For projects that are 100% special needs housing, the maximum loan amount is \$2.5 million for mixed use projects, the maximum loan amount is \$100,000 per unit. According to the Superstorm Sandy CDBG-DR Dashboard, the NJHMFA has awarded \$19.6 million in loan funds, but no monies have been disbursed. CDBG-DR Action Plan Amendment No. 7 recommends an additional allocation of \$25 million for the SSNHF.

**• Question: When does the department expect to make the first disbursements of Sandy Special Needs Housing Fund monies? How many loan applications were submitted to the NJHMFA? How many loans have been awarded, and at what interest rate? What is the average loan amount? What amount of SSNHF monies was awarded to projects that received financial assistance from other CDBG-DR programs? What number of special needs housing units in Fiscal Years 2014 and 2015 respectively, will be funded with SSNHF monies? Of the amount awarded, what amount will finance mixed-use housing and special needs housing only projects, respectively? Is the State required to dedicate loan principal and interest repayments to the SSNHF in perpetuity, or at some future point can those funds be reallocated for other purposes, and if so, when? Is the State required to return any portion of these repayments to the federal government?**

NJHMFA received 33 loan applications for the Sandy Special Needs Housing Fund (SSNHF). To date, NJHMFA has awarded 10 loans totaling \$12,191,424, with an average loan amount of \$1,219,143 at 0% interest. NJHMFA also awarded \$5.3 million of SSNHF funds to four additional applicants in projects which received financial assistance from other CDBG-DR programs. The total amount of SSNHF funds awarded to date is \$17,491,425.

NJHMFA expects 182 units and 250 units in FY2014 and FY2015, respectively, will be funded with SSNHF funds. Currently no mixed-use projects have been proposed.

CDBG-DR regulations allow HMFA, as a grantee, to retain principal and interest payments. A revolving loan fund will be created to allow the program income to be used to fund additional disaster recovery activities.

## Discussion Points (Cont'd)

11a. 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. The program's regulations also reserve 35% of the rental assistance to persons currently on the SRAP waiting list.

The Fiscal Year 2015 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 for the New Jersey Affordable Housing Trust Fund for the State Rental Assistance Program. In response to a Fiscal Year 2014 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	\$21,000,000	Tenant-Based Vouchers	\$33,447,000
Grants-in-Aid Appropriation	18,500,000	Project-Based Vouchers	6,784,000
FY 2013 SRAP Carry Forward	2,500,000	Administration	1,500,000
<b>TOTAL</b>	<b>\$42,000,000</b>	<b>TOTAL</b>	<b>\$41,731,000</b>

According to information posted on the New Jersey Comprehensive Financial System (NJCFIS), SRAP has been supported by the Grants-in-Aid appropriation, SRAP carry forward, and a transfer of \$5.667 million from the New Jersey Affordable Housing Trust Fund into the SRAP account. Thus far, the State has spent or committed \$26.952 million and has an uncommitted balance of \$148,665. These data indicate a difference of \$14.898 million between the amount available for SRAP and the resources available for the program in the current fiscal year. Data in the Core Missions Summary on page D-43 of the Fiscal Year 2015 Budget indicates that the spending rate for State rental assistance (85%) is significantly lower than the spending rate for the federally funded voucher program (97%).

**• Question:** Please provide an updated Fiscal Year 2014 spending plan and a projected Fiscal Year 2015 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). If additional funds are not available, or insufficient to close the estimated gap between projected revenues and expenditures, will the department reduce the number of vouchers? If so, by how much? What level of State funding will be available in Fiscal Year 2015 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 Fiscal 2014 spending plan is as follows:

<b>Fiscal 2014 SRAP Spending Plan</b>		
<b>Category</b>	<b># of Vouchers</b>	<b>Amount</b>
Tenant-based	3,186	\$ 32,720,328
Project-based	832	\$ 6,333,174
Sub-total Vouchers	4,018	\$ 39,053,502
Administrative		\$ 1,500,000
<b>Total</b>		<b>\$ 40,553,502</b>

Below is the spending plan for the Fiscal 2015 State Rental Assistance Program. It assumes the remaining 130 project-based units under contract will be under lease by the end of the fiscal year.

<b>FY 2015 SRAP Spending Plan</b>									
	<b>Qtr 1</b>		<b>Qtr 2</b>		<b>Qtr 3</b>		<b>Qtr 4</b>		<b>Projected Spending</b>
<b>Category</b>	<b># of Vouchers</b>	<b>Amount</b>							
Tenant-Based	3,186	\$ 8,180,082	3,186	\$ 8,180,082	3,186	\$ 8,180,082	3,186	\$ 8,180,082	\$ 32,720,328
Project-Based	832	\$ 1,583,294	875	\$ 1,686,494	918	\$ 1,789,694	962	\$ 1,895,294	\$ 6,954,774
Subtotal	4,018	\$ 9,763,376	4,061	\$ 9,866,576	4,104	\$ 9,969,776	4,148	\$ 10,075,376	\$ 39,675,102
Administration		\$ 375,000		\$ 375,000		\$ 375,000		\$ 375,000	\$ 1,500,000
<b>Total</b>	<b>4,018</b>	<b>\$ 10,138,376</b>	<b>4,061</b>	<b>\$ 10,241,576</b>	<b>4,104</b>	<b>\$ 10,344,776</b>	<b>4,148</b>	<b>\$ 10,450,376</b>	<b>\$ 41,175,102</b>

Projected SRAP Sources for Fiscal 2015 are as follows:

<b>Fiscal 2015</b>	<b>Amount</b>
Grant-in-Aid Appropriation	\$ 18,500,000
Affordable Housing Trust Fund	\$ 23,500,000
<b>Total</b>	<b>\$ 42,000,000</b>

- **Question:** How does the department define “spending rate” in this context? Why does the spending rate for SRAP of 85% continue to lag the spending rate of 97% for the federal voucher program? Given the SRAP spending rate of less than 100% did the department consider allocating SRAP vouchers to persons displaced from their residences by Hurricane Sandy? If so, what was decided?

The spending rate is voucher expenditure as a percentage of total SRAP allocation (or budget), which is \$42 million for Fiscal 2014. The average spending rate for SRAP over the last four quarters is 93%.

DCA issued over 800 permanent Housing Choice Vouchers to persons displaced from their residences by Superstorm Sandy.

## Discussion Points (Cont'd)

11b. On February 3, 2014, the department released CDBG-DR Action Plan Amendment No. 6, which proposes to transfer \$17 million from the Landlord Incentive Program to the Supportive Services Program to provide tenant-based vouchers to increase the provision of affordable rental units to low- and moderate-income households. The amendment noted that the transfer of CDBG-DR funds for this purposes is subject to federal approval of a State waiver request submitted on January 9, 2014.

**• Question: If the SRAP spending rate is 85%, implying that SRAP funds are likely to be unspent, why are Landlord Incentive Program funds to be reallocated to fund rental assistance vouchers rather than another unmet need such as the Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) Program waiting list? Has the department received federal approval of request to transfer CDBG-DR funds to support tenant-based vouchers? What is the deadline for eligible homeowners to apply for a voucher? When does the department expect to begin issuing vouchers? Will this component of the CDBG-DR program be administered in a manner similar to SRAP? Will these vouchers be awarded on a first-come, first-serve basis, or are will some applicants, such as families, or persons participating in the Transitional Sheltering Assistance Program, be granted some preference when vouchers are awarded? Since CDBG-DR is a one-time funding award, does the department intend to reclassify these vouchers as tenant-based Housing Choice vouchers?**

The implication that the SRAP funds are likely to be unspent is incorrect. The current SRAP spending rate is 93%. The conclusion drawn from the Core Missions Summary that spending is at a rate of 85% is incorrect. The 85% number represents a minimum target.

The proposed transfer of \$17 million of Landlord Incentive funds will enable the State to provide rental assistance to households impacted by Superstorm Sandy. The proposed transfer of funds provides a greater freedom of choice for low-income households in deciding where to live while continuing the State commitment to renters.

If approved, the \$17 million will be transferred to the Supportive Services Program under an activity designed to prevent homelessness among low-income residents in counties impacted by Sandy. The program guidelines and procedures are being developed in anticipation of approval of HUD. The program is time limited. The State does not have the authority to reclassify the vouchers to tenant-based Housing Choice Vouchers.

## Discussion Points (Cont'd)

12. 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. 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, funding priority will be 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."

According to the CDBG-DR Performance Report for the fourth quarter of 2013 (October 1, 2013 – December 31, 2013) and information available through the Superstorm Sandy CDBG-DR Dashboard the State has obligated \$15.055 million for landlord incentive payments and awarded \$4.5 million. The performance report also indicates that 41 project applications are approved and under contract. No landlord incentive payments have been disbursed. If approved by the federal Department of Housing and Urban Development, Action Plan Amendment No. 6 would transfer \$22 million from the Landlord Incentive Program; \$17 million would support tenant-based and \$5 million would support a new Lead Hazard Reduction Program.

**• Question: When will the first Landlord Incentive Payments be disbursed? Is the department still accepting applications for participation in Landlord Incentive Program? How many additional applications were approved in the first quarter of 2014? What additional amount of incentive payments has been awarded? How many additional units are under contract? Does the transfer of funds from the Landlord Incentive Program to support two new initiatives indicate a low demand for this type of assistance? If not, does the department intend to make any additional efforts to make landlords aware that funds remain available for distribution? What is a "deeply affordable unit?"**

The State has received and approved 53 applications from landlords who applied to the Landlord Incentive Program (LIP) for close to 350 units, resulting in assistance of over \$7 million to property owners. To date, LIP has disbursed \$253,024 in direct payments to landlords. The application period remains open until May 31, 2014.

However, given the pace of applications, a portion of LIP funds by projection will likely remain unspent. As a result, the State has proposed a program to provide rental vouchers to households. The State anticipates that this approach, which provides individuals with more choice as to the units, neighborhoods and towns that best meet their needs rather than requiring them to choose from a pool of participating landlords, will result in a higher rate of participation. Upwards of 800 vouchers are expected to be issued. As noted above, an amendment to the Action Plan has been submitted to HUD seeking approval of the program.

**Discussion Points (Cont'd)**

In the immediate aftermath of the storm, DCA issued 835 Housing Choice Vouchers to victims of Superstorm Sandy. At the time, no additional HUD funds were made available to support these vouchers. The vouchers were supported by drawing down reserves and limiting the reissuance of "turnover" vouchers. In January, DCA was successful in convincing HUD to include the "Sandy" vouchers in the State's Housing Choice Voucher allocation, thus making permanent the 835 vouchers.

## Discussion Points (Cont'd)

13. New Jersey's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan allocates \$70 million to the Fund for Rehabilitation of Small Rental Properties, also known as the Landlord Rental Repair Program (LRRP). According to the Action Plan, more than 70% of the rental properties in the areas most impacted by Hurricane Sandy have less than 20 units. The LRRP will provide forgivable loans, at an interest rate of 0%, to "original" and new owners of small rental properties (25 units or less) that sustained significant damage during Hurricane Sandy. To qualify, original owners must have owned the property continuously from the time of the storm until the time of application for assistance. Eligible new owners include those entities that: (1) purchased the property after the storm or have an option to purchase, or other suitable form of site control for an eligible property that received a significant amount of damage during the storm; and (2) wish to exercise that option in order to rehabilitate the property. First priority will be given to properties that have mold remediation needs, are less than eight units, or serve the special needs population. LRRP applicants must agree to rent their property to residents with incomes at less than 80% of area median income. The maximum LRRP award is \$50,000 per unit. According to information available through the "Superstorm Sandy CDBG-DR Dashboard" \$58 million has been awarded through the LRRP but none of these funds have been disbursed.

**• Question: When will the first Landlord Rental Repair Program funds be disbursed? How many landlords have applied for LRRP assistance? How many applications have been approved? How many units will be rehabilitated in Fiscal Year 2014 and Fiscal Year 2015, respectively? At what average cost? For how long will these properties be deed-restricted to low- and moderate-income residents?**

The Landlord Rental Repair Program is disbursing funds with over \$400,000 approved for disbursement as of March 27, 2014. Over 50 landlords have signed grant awards totaling over \$2.2 million to repair, reconstruct and elevate affordable rental properties. The program received 1,405 completed applications. Of those, 1,088 applications accounting for 1,933 damaged units have been deemed preliminarily eligible to date. The maximum grant award \$50,000 per unit and covers construction costs remaining after a duplication of benefits calculation is completed accounting for insurance, SBA, or other construction funds received for repair. The timing of repair is dependent upon the pace of the landlord in obtaining a contractor and undertaking the repairs. The program anticipates construction to be completed within one year. Landlords may be eligible for reimbursement for work undertaken in 2014. The majority of construction is expected to take place within the next 15 months. A deed restriction in the form of a covenant is filed with the county on each property confirming that the landlord will obtain a certificate of occupancy and lease the unit to a low- or moderate-income tenant. The deed restrictions vary between one and five years depending on whether the property is owned by a profit or non-profit owner.

## Discussion Points (Cont'd)

14. New Jersey's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan allocates \$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 5-year period. Homebuyers must have a credit score of 620 or higher. Assistance will be provided to approximately 500 homeowners.

SHAP was introduced as a 90-day pilot program on July 25, 2013. Homebuyers who applied for assistance within that time period are required live in and purchase a home in one of the nine counties most impacted by Hurricane Sandy. After the initial 90-day period, the program was open to eligible households purchasing in one of the nine most impacted counties regardless of their address at the time of application. According to the CDBG-DR Performance Report for the fourth quarter of 2013, \$12.5 million has been obligated for SHAP loans while approximately \$1.2 million has been drawn down. The Sandy Recovery Division website indicates that as of September 30, 2013 the SHAP will no longer be accepting applications.

**• Question: What amount of loan assistance has been awarded through SHAP? How many loan applications were submitted? How many loans have been awarded? What is the average loan amount? How many loans were awarded during the 90-day pilot program? How many have been awarded since the pilot program ended? On what basis were loans awarded? Does any portion of the loan have to be repaid if the home is sold before the full amount of the loan is forgiven? Does the department anticipate meeting its stated objective to providing assistance to approximately 500 homeowners? Does the closing of the application period signify that the NJHMFA has received applications for the entire amount of available funding? If so, when does the NJHMFA anticipate that the remainder of funds will be obligated? How many loans will be closed in Fiscal Year 2014 and Fiscal Year 2015, respectively?**

As of April 1<sup>st</sup>, 110 applicants have closed (\$5 million) and 90 commitments have been issued (\$4 million) and the remaining funds have been reserved for another 400 households. The average loan per household is \$45,000. During the first 90 days of the program, nine loans were closed and 11 loans were committed. SHAP applicants must be low/moderate income; must purchase and reside in a home in one of the nine most impacted counties; and must be able to obtain a mortgage loan, i.e., they must be creditworthy. Applicants must also demonstrate a need for the assistance in that their mortgage payment must be greater than 28% of their gross monthly income. SHAP proved to be much more successful than originally anticipated and the program was well over-subscribed within the first 60 days. While it is estimated that the SHAP funding will finance between 500-600 assistance loans, close to 9,000 applications were received, and the program was closed to new applicants on September 30th. More than 60% of the approved/committed/closed loans are in the counties of Ocean, Monmouth, and Atlantic.

**• Question: Please explain why the department believes that targeting \$25 million in funds in this fashion produces better outcomes and better fulfills the State's recovery and rebuilding goals than allocating the money to support other**

**Discussion Points (Cont'd)**

**recovery and rebuilding programs for which the demand for assistance is greater than the amount of funding available?**

SHAP is limited to the nine most impacted counties and has a requirement that recipients must purchase and currently live in a home in one of the nine counties. This funding helps turn renters into home owners with a stake in rebuilding their Sandy damaged communities. SHAP provides an incentive to keep low- and moderate-income families in the community by giving them the financial resources necessary to purchase their own home and restore neighborhood stability.

## Discussion Points (Cont'd)

15. The State's Community Development Block Grant-Disaster Recovery (CDBG-DR) action plan allocates \$10 million to the Predevelopment Loan Fund for Affordable Rental Housing. According to program information available through the Sandy Recovery Division website, the Predevelopment Loan Fund serves as a source of low-cost financing to help nonprofit developers cover expenses related to the development of affordable rental properties that are currently unsafe, underutilized, or in foreclosure. Managed by the New Jersey Redevelopment Authority (NJRA), the Predevelopment Loan Fund provides three-year loans in amounts between \$100,000 and \$500,000 per project, at an interest rate not to exceed 2%. The loans will be 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, including, but not limited to project feasibility studies, legal fees, soil studies, site preparation, appraisals, and surveys. Predevelopment costs must have been incurred after October 30, 2012 to be eligible for funding. Initial occupancy of the units developed with Predevelopment Loan Fund monies is restricted to households at or below 80% of area median income.

Press releases issued by the department on September 6, 2013 and the Governor's Office on November 26, 2013 indicate that \$5.65 million has been awarded from the Predevelopment Loan Fund. It is anticipated that these funds will cover predevelopment costs associated with the development of 1,036 units of affordable housing. Information published in the CDBG-DR Performance Report for the fourth quarter of 2013 indicates that while \$6 million has been budgeted for the Predevelopment Loan Fund and \$5 million has been obligation, no loans funds have been drawn down. The program information indicates that if the Predevelopment Loan Fund is not entirely allocated by the initial funding round, the NJRA will accept applications on a rolling basis until all funds are loaned.

**• Question: When does the New Jersey Redevelopment Authority expect to make the first disbursement of Predevelopment Loan Fund monies? How many loan applications were submitted to the NJRA? Is the NJRA still accepting loan applications, or all loan funds committed? How many affordable housing opportunities, the development of which are facilitated by costs funded with Predevelopment Loan monies, are anticipated to be made available in Fiscal Year 2014 and 2015 respectively? Does the department intend to coordinate its efforts through this program with the Unsafe Structure Demolition Program? Is the State required to dedicate loan principal and interest repayments to the Predevelopment Loan Fund in perpetuity, or at some future point can those funds be reallocated for other purposes, and if so, when? Is the State required to return any portion of those repayments to the federal government?**

New Jersey Redevelopment Authority's (NJRA) first disbursement of Predevelopment Loan Fund funds was on March 21, 2014. NJRA received 14 loan applications and anticipates that 800 affordable rental units will be available in FY 2015. The State is not required to dedicate loan principal and interest payments to the Predevelopment Loan Fund in perpetuity. The repayments may be used not only for NJRA financing activities but also any CDBG-DR eligible programs. The State is not required to return any portion of the repayment to the federal government.

**• Question: Please explain why the department believes that targeting \$10 million in funds in this fashion produces better outcomes and better fulfills the State's recovery and rebuilding goals than allocating the money to support other**

## Discussion Points (Cont'd)

### **programs that support homeowners, renters, and the production of affordable housing.**

As a result of Superstorm Sandy, there is a significant shortage of rental housing in the State, particularly in the most impacted communities. Based on data collected immediately following the storm, approximately 27% of all housing damage occurred to rental stock - equivalent to 21,900 units - with 15,611 rental units sustaining severe or major damage. According to FEMA data, approximately 44,000 Sandy-displaced households were receiving rental assistance after the storm.

The impetus for inclusion of this program was a request by the Housing & Community Development Network of New Jersey and other advocates to include pre-development funding for non-profit developers. Our research determined that the market demands for affordable rental units and the recognition that non-profit developers often are challenged in generating predevelopment revenue funds resulted in the State creating the Predevelopment Loan Fund for Affordable Rental (PDLF). The PDLF is designed to provide a source of low-cost financing to help nonprofit developers cover costs relating to the development of affordable rental properties that are currently unsafe, underutilized or in foreclosure. All projects receiving financing will help to revitalize a community and address development needs that were created or exacerbated by Superstorm Sandy. 800 units of affordable housing resulting from a \$10 million predevelopment fund is, by any measure, a high rate of return on investment.

## Discussion Points (Cont'd)

16. 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 beds may qualify on a case-by-case-basis, as may be accepted by the NJHMFA staff, in consultation with the DHS Division of Developmental Disabilities. 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 contributions on a dollar-for-dollar basis up to a maximum of \$250,000. If a municipality's affordable housing trust fund balance is less than \$250,000, the sponsor must use other State and non-State funds to match 20% of total development costs. These funds will be limited to projects that serve individuals coming out of State developmental centers.

During the Fiscal Year 2014 budget process the department reported that 33 municipalities had signed a memorandum of understanding with the NJHMFA to participate in the SNHPLP through an allocation of affordable housing trust fund monies; 3 other municipalities that do not have an affordable housing trust fund were participating by providing alternative means of funding. Participating municipalities have committed over \$11 million in affordable housing trust monies while the DCA, DHS, and NJHMFA have committed approximately \$5.9 million towards individual SNHPLP projects. 30 projects with a total of 117 beds had completed the application process and an additional 10 projects with a total 40 beds were being process for loan commitment. The department also noted "The execution of the program was more complex than originally envisioned. Despite having prequalified developers and service providers, the time needed to gain commitments from the municipality for funding, the identification and purchase of units and the time needed to perform the rehabilitation has slowed the program's progress." The NJHMFA also estimated that municipal affordable housing trust fund monies would support an additional 20 projects with a total of 80 beds by the summer of 2014.

**• Question: How many municipalities have agreed to participate in the Special Needs Housing Loan Partnership Program? What is the total amount of funding committed by each participating municipality towards the development of supportive housing? What is the total amount of non-CDBG-DR funding committed by the DCA, DHS, and NJHMFA, respectively towards the SNHPLP? How many homes and condominiums have been purchased? At what average cost? Is the department on track to meet its original goal of creating 600 units of special needs housing units? Please provide an updated statement of the number of supportive housing units to be completed in Fiscal Year 2014 and 2015, respectively.**

**Discussion Points (Cont'd)**

A total of 42 municipalities in 14 counties have expressed interest in the Special Needs Housing Loan Partnership Program (SNHLPP). As of March 24, 2014, 34 municipalities have transferred Affordable Housing Trust Funds (AHTF) to NJHMFA. The total AHTF amount committed by participating municipalities that have signed the MOU is \$15.4 million. The total amount of funding committed is \$22.6 million, of which \$12.5 million, \$9 million, and \$1.1 million, is committed, respectively, by NJHMFA, DCA and DHS. To date 40 single-family homes have been purchased. The average purchase price is \$385,000. The SNHLPP currently has a funding balance of \$17 million. Each project is allocated approximately \$500,000. It is anticipated the SNHLPP will produce an additional 34 projects with a total of 136 beds. The number of supportive housing beds to be completed in FY 2014 is 68; in FY 2015, 99.

## Discussion Points (Cont'd)

17. In September and October 2010, the New Jersey Housing and Mortgage Finance Agency received over \$300 million in aid from the federal government's 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 and loan proceeds would be 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 response to a Fiscal Year 2014 OLS Discussion Point, the NJHMFA reported that as of March 31, 2013, 17,926 HomeKeeper applications had been completed. Of that amount, 8,235 were submitted for underwriting and 2,729 households received assistance. Statistical information provided by the NJHMFA also indicated that 298 homeowners received Mortgage Payment Assistance only, 172 homeowners received Reinstatement Assistance only, and 2,259 homeowners received a combination of Mortgage Payment Assistance and Reinstatement Assistance. During the Fiscal Year 2014 budget process, the NJHMFA indicated that the HomeKeeper 2 and Note/Purchase Loan Modification Programs received board approval and that the program guidelines were pending approval by the federal Department of the Treasury.

With regard to the HomeKeeper 2 Program, the minutes of the NJHMFA Board meeting of March 3, 2013 indicate approval of an allocation of \$50 million of federal Hardest Hit funds to make assistance available in the form of a loan to eligible homeowners impacted by Hurricane Sandy to provide a reinstatement, refinancing, recast, or permanent modification of the first mortgage loans through a principal reduction and/or reinstatement payment of their first mortgage loans. The minutes of the NJHMFA Board meeting of October 8, 2013 indicate approval of allocation of \$10 million of federal Hardest Hit Funds to make loans to qualified applicants for the purpose of funding a portion of the cost of the purchase of eligible first mortgage notes and the payment of eligible administrative costs of the Note Purchase Loan Modification Program.

The NJHMFA also provided the following 2013-2014 spending plan for the New Jersey HomeKeeper Program:

Program	2013	2014	Total Allocation
HomeKeeper 1 Loans	\$85,000,000	\$0	\$85,000,000
HomeKeeper2	\$25,000,000	\$25,000,000	\$50,000,000
Note Purchase Loan Modification	\$10,000,000	\$15,000,000	\$25,000,000
Totals	\$120,000,000	\$30,000,000	\$160,000,000

According to the HomeKeeper Program performance report for the fourth quarter of calendar year 2013 (October 1, 2013 – December 31, 2013), 13,073 borrowers have applied for assistance through the HomeKeeper Program; 5,161 borrowers are receiving assistance

**Discussion Points (Cont'd)**

while 6,281 borrowers were denied assistance, and 1,462 applications were pending review. The State has provided approximately \$128 million in assistance and expended approximately \$19.5 million on administrative support, outreach, and counseling. 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 2013 spending report and an updated Fiscal Year 2014 spending plan for the New Jersey HomeKeeper Program. As of March 31, 2014, how many homeowners have applied for HomeKeeper assistance? How many homeowners have received Mortgage Payment Assistance and Reinstatement Assistance, respectively? Why have almost 50% of program applicants been denied assistance? Please provide additional information regarding the “HomeKeeper 2” and “Note Purchase Loan Modification Programs”. Were these programs implemented? If not, why not?

<b>Final Spending Report FY 2013</b>	
<b>Cost Type</b>	<b>Amount</b>
Loan Amount Committed	\$ 129,400,000
Administration and Operations *	\$ 5,200,000
Underwriting and Transaction Related Cost	\$ 38,000
Counseling Expenses	\$ 4,800,000
<b>Total</b>	<b>\$ 139,438,000</b>

\* Includes Personnel Cost

<b>Spending Plan FY 2014</b>	
Homekeepers Loan	\$ 50,000,000
Projected Loans	1,250

*Note: HMFA was allocated \$38,000,000 of the original \$300 million for operating/administrative purposes.*

To date, 34,539 homeowners have applied to the HomeKeeper Assistance program. As of March 24, 2014, 5,465 HomeKeeper loans have 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.

Almost 50% of program applicants have been denied assistance for the following reasons:

- The applicant has arrears that exceed the maximum assistance amount of \$48,000 at time of application.
- The applicant’s servicer is not participating in program.
- The applicant does not meet eligibility requirements because they were not unemployed or under-employed.
- The applicant did not submit a complete underwriting package.

**Discussion Points (Cont'd)**

Of the 34,539 homeowners completed applications, 12,924 continued the process and were submitted for underwriting. Of the 12,924 applications, 5,465 received assistance.

A proposed HomeKeeper 2 Program was not implemented. The overwhelming demand for the HomeKeeper program prevented the State from expanding beyond the initial program. Additionally, the U.S. Department of the Treasury denied our request for the note purchase program.

## Discussion Points (Cont'd)

18. P.L.2008, c.104 appropriated \$12.5 million to the Administrative Office of the Courts (AOC) and the New Jersey Housing and Mortgage Finance Agency (NJHMFA) from the Long Term Obligation and Capital Expenditure Fund for two components of the "New Jersey Economic Assistance and Recovery Plan." \$10 million was appropriated for foreclosure mediation and \$2.5 million was appropriated for foreclosure counseling. The NJHMFA established the Mortgage Assistance Program (MAP) and the New Jersey Judiciary Foreclosure Mediation Program (NJJFM) Program. The MAP provided temporary assistance to income eligible homeowners who sought to remain in their homes but were in danger of foreclosure due to short-term financial problems beyond their control. Funding recipients were permitted use these monies in order to successfully refinance the terms of a mortgage. The maximum mortgage loan amount was \$20,000 and applicants were allowed to receive assistance covering a period not to exceed 6 months.

In response to a Fiscal Year 2014 OLS Discussion Point, the NJHMFA reported that funding would not be available for the Mortgage Assistance Program and the New Jersey Judiciary Foreclosure Mediation Program in Fiscal Years 2013 and 2014. Of the \$12.5 million in State funds appropriated in 2008, the remaining \$1.3 million was transferred from the NJHMFA to the AOC at the end of calendar year 2012 to administer the foreclosure mediation program. The MAP was supported by \$1.3 million in State funding from the Homelessness Prevention Program but these funds were used to meet the matching funds requirement for the Homelessness Prevention Rapid Rehousing component of the federal Emergency Solutions Grant. The NJHMFA noted that counseling would be available through other foreclosure prevention initiatives, such as the National Foreclosure Mitigation Counseling Program (NFMC). Approximately 2,500 families were expected to receive counseling through the NFMC in 2013.

- **Question:**How many homeowners received assistance through the National Foreclosure Mitigation Counseling Program in 2013? Is this program funded in 2014? If so, how much funding has the State received? How many families are expected to receive foreclosure counseling in 2014? Does the State intend to make funds available for the Mortgage Assistance Program in Fiscal Year 2015? If so, what amount? With no funding available for the MAP and the NJJFM in Fiscal Year 2014 and all funding available through the New Jersey HomeKeeper Program having been committed, does the State plan to commit any financial resources towards its foreclosure prevention efforts?

Approximately 2,700 homeowners received assistance through the National Foreclosure Mitigation Counseling Program in 2013. In March 2014, the State was awarded \$1,618,107, bringing the total funding since the beginning of the program in 2008 to \$6.6 million. It is expected that an additional 3,000 homeowners will receive foreclosure counseling in 2014 with this funding. The Mortgage Assistance Program was closed to new applicants in May, 2013. There is no plan to allocate funding for the program in 2015.

Other State foreclosure prevention initiatives administered by NJHMFA:

- Making Home Affordable Outreach and Intake Program  
The Program teamed housing counselors with homeowners and lenders at outreach events throughout the State to offer work-out options that include a loan reinstatement, modification and/or refinance assistance. NJHMFA was awarded \$216,882 in May 2013 to assist approximately 330 households through September 2014.

**Discussion Points (Cont'd)**

- HUD-Comprehensive Housing Counseling Grant  
HUD provided housing counseling funding to housing counseling agencies serving low- and moderate-income families in need of housing and budget counseling. The HMFA was awarded a total of \$155,232 in October 2013. NJHMFA is applying for the next funding round of the HUD-Comprehensive Housing Counseling grant for federal FY 2014 and 2015. Award announcements are expected in July 2014.

## Discussion Points (Cont'd)

19. According to the CDBG-DR Action Plan, approximately \$20.9 million is needed to alleviate public health issues caused by Hurricane Sandy. On February 3, 2014, the department released Action Plan Amendment No. 6. This proposal is a substantial amendment to the CDBG-DR Action Plan that would allow for the transfer of \$22 million from the Landlord Incentive Program to the Supportive Services Program. Of that amount \$5 million would 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 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 reduction and/or weatherization programs will be permitted to apply for funding. Eligible program activities include the assessment of lead based paint hazards in single and multi-family residential units and the abatement, remediation, or reduction lead paint hazards in residential units. The amendment provides, "The department may also elect to allow other moderate levels of repair work to occur in combination with the lead paint abatement, including addressing other environmental hazards, such as mold, as well as other ancillary costs to performing the abatement."

- **Question:**Has the department issued a request for proposals (RFP) for the Lead Hazard Reduction Program? If not, when does the department expect to issue the RFP? What percentage of program funds will be allocated towards abating lead hazards in low- and moderate-income households and meet urgent needs, respectively? Will there be a limit on the amount that may be awarded to one unit of local government or community based organization? If so, what amount? Will there be a per household limit on the amount that may be expended on lead hazard abatement? If so, what amount? What is the projected number of units projected to be abated of lead hazards through the Lead Hazard Reduction Program?

The Action Plan, and by extension the proposed Substantial Amendment to the Action Plan, is intended to describe the basic framework for proposed programs. More specific programmatic details are set forth in the policies and procedures created after HUD has approved the basic framework. DCA will partner with community-based organizations and municipalities that have experience in administering lead hazard reduction and/or weatherization programs. The lead hazard reduction activities will include lead assessments, abatement and remediation or reduction of lead paint hazards. If funding allows, other moderate repairs to address environmental hazards such as mold may occur. The policies and procedures for each program will be available on the DCA website, as they are for other Sandy recovery programs, once the Action Plan Amendment is approved by HUD and the policies and procedures are developed. This program targets low- and moderate-income households.

## Discussion Points (Cont'd)

20. P.L.2011, c.229 appropriated \$7,403,340 from the Urban and Rural Center 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 and 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 repayments 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.

Municipality	Amount of Funding
Belleville Township	\$ 600,000
Camden City	\$2,000,000
Clifton City	\$ 210,000
Hackensack City	\$ 20,000
Irvington Township	\$ 923,240
Millville City	\$ 60,000
Orange City	\$ 325,000
Pleasantville City	\$ 174,000
Rahway City	\$ 218,000
Trenton City	\$2,773,100
Vineland City	\$ 100,000
<b>TOTAL</b>	<b>\$7,403,340</b>

**• Question:**Of the amount appropriated by P.L.2011, c.229, what is the total amount expended for the demolition of unsafe buildings? How many buildings have been demolished? Have any loan monies been returned to the fund? What is the total amount remaining for the demolition of unsafe buildings? By what date must all funds appropriated by P.L.2011, c.229 be expended?

The Urban Aid and Rural Centers Unsafe Structures Demolition Bond Loan Program (Demo Bond) is in its fourth round of funding. In Round 4, 11 municipalities were awarded \$7,403,340 for the demolition of 253 buildings; 234 of the buildings were unsafe or an imminent hazard. Several municipalities withdrew from participation after the legislative appropriation. They are: Clifton (\$210,000); Hackensack (\$20,000); Rahway (\$218,000); Trenton (\$2,773,100); therefore, from the Round 4 awards, a total of \$3,221,000 was returned to the fund. In Round 4, to date, 51 buildings have been reported as demolished

**Discussion Points (Cont'd)**

and reimbursements for the costs have been processed. The municipalities that have submitted for reimbursement are: Vineland (3 buildings); Millville (1 building); Camden (47 buildings). The date by which the demolitions must be completed is based on the contract execution date; there is not one programmatic completion date. Because demolition was not possible through this unusually cold, snowy winter, several municipalities have requested time extensions, which have been granted. At this time, there is \$6,943,097.56 in the Demolition Bond Loan fund. A new request for proposals from municipalities will shortly be issued.

## Discussion Points (Cont'd)

21. Originally passed by the General Assembly on October 18, 2012 and the Senate on February 7, 2013, Assembly Bill No. 2593 of the 215th Legislature clarified section 3 of P.L.2003, c.28, the "Fire Service Emergency Deployment Act," (C.52:14E-11 et seq.) to require that the local fire mutual aid plan of each municipality or fire district include a proposed command structure that would afford appropriate command support for the designated battalion chief or incident commander. The bill also required battalion and deputy chiefs to be included as part of the county fire mutual aid plan.

On April 4, 2013, the Governor returned Assembly Bill No. 2593 to the Legislature with recommendations for amendment. In his conditional veto message, the Governor expressed concern that "...this bill may not afford municipalities and fire districts sufficient flexibility to establish plans best suited to their individual needs." The Governor's message also noted, "...explicitly delineating the chain of command in State statute may unnecessarily disrupt current municipal arrangements regarding incident command support." The Governor proposed amending Assembly Bill No. 2593 to require the Director of the Division of Fire Safety ("Director") to conduct a review of the laws, rules, and regulations concerning the preparation and adoption of local mutual fire aid plans, and the coordination and deployment of fire service resources during an emergency where mutual aid necessary or appropriate. The Director is required to develop findings and recommendations on whether revisions to existing procedures concerning local fire mutual aid plans are necessary, including whether a statutorily delineated chain of command is appropriate and necessary. The Director was required to report his findings and recommendations to the Governor no later than six months after the enactment of the bill. The General Assembly and Senate concurred in the Governor's amendments on June 20 and August 19, 2013, respectively. Assembly Bill No. 2593 (1R) became P.L.2013, c.152 on August 28, 2013; it took effect immediately.

**• Question: Has the Director of the Division of Fire Safety completed his review of the laws, rules, and regulations concerning the adoption of local fire mutual aid plans and the coordination and deployment of fire services during an emergency where mutual aid is appropriate? Have his findings and recommendations been presented to the Governor? If so, please provide a copy of the Director's findings. If a copy of the Director's report cannot be provided, can the department provide a summary of these findings and recommendations? Does the department intend to make the Director's report available to the public? If so, when? Does the department intend to propose new legislation or administrative rules regarding the preparation of mutual aid plans and the deployment of fire services when mutual aid is warranted? If the Director's review is not complete, when does the department anticipate that it will be finished?**

A report was recently sent to the Governor. The report recommends adding a requirement that local fire mutual aid plans include a mechanism for a local incident commander to seek assistance in staffing the command and control of an incident. The report further recommends provisions for the State to enter into inter-state mutual aid plans with contiguous states and recommends adding a provision for removing a county fire coordinator for just cause. The recommendation for incident command can be accomplished by regulation. The remaining recommendation requires a legislative solution.

## Discussion Points (Cont'd)

22. Originally passed by the General Assembly on June 21, 2012 and by the Senate on October 25, 2012, Assembly Bill No. 2596 of the 215th Legislature proposed to remove the requirement established by section 1 of P.L.1991, c.92 (C.52:27D-198.1) that a structure used or intended for use for residential purposes, other than a seasonal rental unit, by not more than two households, shall have at least one portable fire extinguisher installed and deleted all references to enforcement mechanisms for that requirement. On December 10, 2012, the Governor returned Assembly Bill No. 2596 to the Legislature with recommendations for amendment. In his conditional veto message, the Governor stated that changes to the existing fire safety protections for residential homes "...should be responsibly and cautiously evaluated." The Governor proposed amendment Assembly Bill No. 2596 to require the Commissioner of Community Affairs to undertake a review of the existing portable fire extinguisher requirements for residences "...as well as the other changes proposed in this (sic) bill." The Commissioner is required to develop findings and recommendations on whether revisions to existing laws on fire extinguisher use in residential homes require modification or repeal. The Commissioner is required to report his findings and recommendations to the Governor no later than 12 months after the enactment of the bill. The General Assembly and Senate concurred in the Governor's amendments on June 20, 2013 and August 19, 2013 respectively. Assembly Bill No. 2596 (1R) became P.L.2013, c.153 on August 28, 2013. It took effect immediately.

- **Question:What progress has the Commissioner made towards completing his review of existing portable fire extinguisher requirements for residences? Have the Commissioner's findings and recommendations been presented to the Governor? If so, please provide a copy of the Commissioner's report. Does the department intend to make the Commissioner's report available to the public? If so, on what date? Does the department anticipate that the Commissioner's review will be completed in accordance with the deadline set by P.L.2012, c.153? If not, by what date is completion expected?**

The Department recommends that the requirement for portable fire extinguishers to be installed in one- and two-family residences upon resale be repealed. The recommendation follows a similar recommendation of the New Jersey Division of Fire Safety. The report points out that if a municipality wanted to continue the requirement, it may do so by approving a local ordinance.

## Discussion Points (Cont'd)

23. 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 about 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 for provide aid to provide grants to businesses by the fire and for debris removal. The minutes of the special meeting of the New Jersey Economic Development Authority (EDA) held on September 18, 2013, indicate 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 debris removal of damaged 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.

**• Question:What amount of CDBG-DR funding, and from what sources, was committed to rebuilding the boardwalk in Seaside Heights and Seaside Park? What amount of CDBG-DR funding, and from what sources, was committed to providing grants and loans to businesses damaged by the fire? Of the businesses that received grants and loans, how many had already received assistance through CDBG-DR programs? Has the department proposed any changes to the Uniform Construction Code or the Uniform Fire Safety Code that would require electrical wiring to be accessible for inspection by State and local code and fire safety officials?**

Following the fire in Seaside, the Governor immediately committed to helping the Seaside business community recover from the combined impact of the storm and fire, and called on State agencies to quickly deploy recovery resources. By the following week, \$5 million was allocated from the Stronger NJ Neighborhood and Community Revitalization (NCR) program for demolition and debris removal in Seaside. In addition, businesses in the fire-impacted area were encouraged to apply for assistance through the Stronger NJ Business Grant and Loan programs.

According to the Action Plan approved by HUD, to receive assistance under the Stronger NJ Business Grant Program, applicants must demonstrate that they sustained at least \$5,000 in Superstorm Sandy-related damage, including damage to real property and non-perishable/non-consumable inventory. That requirement does not apply for the Stronger NJ Business Loan program, which offers assistance to businesses located in storm-impacted areas. These loans are unique in that they offer 0% interest and no principal payments for up to the first two years.

**Discussion Points (Cont'd)**

On September 18, 2013, the EDA announced that with approximately 50 businesses impacted by the fire, they expected to advance approximately \$10 million of grant and loan funding to these businesses. As required by HUD, all requirements of the Stronger NJ Business programs remain in effect. Any business that does not meet HUD requirements will be reviewed for other assistance with other EDA, non-CDBG-DR resources.

To date, the EDA has received 35 applications from businesses located in the fire-impacted areas of Seaside. Of that number, 29 have applied for grants and six have applied for loans. Our advisors are working closely with each of these business owners, and we will provide assistance to all eligible businesses as quickly as possible. As the program requires that businesses have a plan that includes where they will reopen, many of these businesses await decisions from the municipalities, landlords and property owners as to their plans for rebuilding, including their location.

The Department has not proposed any changes to either the Uniform Construction Code (UCC) or the Uniform Fire Code with regard to the accessibility of electrical wiring for inspection. The Department is awaiting the full report of the Ocean County Prosecutor before making any code change recommendations. Also, it should be noted that the UCC is limited to electrical wiring and equipment on the demand (building) side of the meter. The supply side of the meter is the responsibility of the utility company.

## Discussion Points (Cont'd)

24. Enacted into law on May 6, 2013, the "Human Trafficking Prevention, Protection, and Treatment Act," P.L.2013, c.51 (52:17B-237et al.), revised and expanded the State's human trafficking law by creating a new human trafficking commission, criminalizing additional activities related to human trafficking as well as upgrading certain penalties on existing human trafficking or related crimes, increasing protections afforded to victims of human trafficking, and providing increased training and public awareness on human trafficking.

Section 19 of P.L.2013, c.51 requires the Department of Community Affairs, in consultation with the commission, to develop and approve a one-time training course on the handling and response procedures of suspected human trafficking activities for the owners, operators, and staff of hotels and multiple dwellings, as defined by the "Hotel and Multiple Dwelling Law," ("Law") P.L.1967, c.76 (C.55:13A-1 et seq.). Verifiable completion of the training course by required hotel and multiple dwelling staff is a condition of the issuance, maintenance, or renewal of any license, permit, certificate, or approval required to be granted, or issued to owners pursuant to the Law. Hotel and motel owners, operators, and required staff are required to attend the training course within one year of the effective date of section 19 (July 1, 2013). All new owners, operators, and required staff are required to attend the course within six months of the first day of ownership, operation or employment. The department is required to review and modify the course, in consultation with the commission, at least every two years.

**• Question: Please outline the department's efforts to comply with the "Human Trafficking Prevention, Protection, and Treatment Act." Has the department incurred any additional costs related to the development of the training course? Has the department held the required training course? If so, when was it held? Has the implementation of this mandate required the department to hire any additional personnel? From what sources were they funded? Were the department's anti-human trafficking efforts coordinated with programs organized by other State agencies and departments, such as the Administrative Office of the Courts and the Police Training Commission, that have similar responsibilities?**

PL 2013, c.51, Human Trafficking Prevention, Protection, and Treatment Act, requires the Commission on Human Trafficking to develop mechanisms to promote educational awareness, including the promotion of training courses and other educational materials to combat human trafficking. Much of the Commission's recent work was focused on the relationship of the Super Bowl to increased incidents of human trafficking. The Department intends to use the recent materials developed by the Commission as part of the training protocol. The Department intends to enlist the Commission's expertise in developing training aids directed toward the hotel and motel industry. Once the Commission and the Department have identified educational and promotional materials to be used by public and private entities, the Department will ensure that these materials are provided to owners of hotels and motels and will identify training that comports with the recommendations made and actions taken by the Commission. The Department defers to the expertise of law enforcement, public health, and social services, each of which is represented on the Commission.

## Discussion Points (Cont'd)

25. Assembly Bill No. 2658 (2R) of the 215th Legislature, the "Common Interest Community Licensing Manager Act," provided for the licensing of community interest community managers and established a 9-member Common Interest Community Manager Board in the Department of Community Affairs to oversee their licensure. The bill authorized the board to license and regulate individuals in the business of providing management services for common interest communities and who are not otherwise licensed in an unrelated profession. Members of the board would serve without compensation. The bill also provided for biennial license renewal of common interest community managers and required licensees to complete continuing education courses as a condition of license renewal. In addition, the bill provided that the uniform enforcement act for professional and occupational boards applied to applicants and licensees of the Common Interest Community Manager Board.

Assembly Bill No. 2658 (2R) was passed by the Senate on January 9, 2014 and the General Assembly on January 13, 2014. Article V, Section I, paragraph 14 of the New Jersey Constitution provides, in part, that a bill passed between the tenth and last day of the two-year legislative session will become law only upon the Governor's signature. The Governor has until seven days after the expiration of the two-year session to sign the bill. If the Governor does not approve it, the bill is "pocket vetoed." The Governor pocket vetoed Assembly Bill No. 2658 (2R) and released a Signing Statement explaining his objections to the bill on January 21, 2014. The Governor's message states, "While I support the goal of ensuring suitable managers to operate community associations throughout New Jersey, I am concerned the bill imposes an unwarranted financial burden on the State...Regrettably, this bill carries with it an estimated implementation cost of \$1,200,000, without identifying corresponding spending cuts or funding sources."

- **Question:** Is the department the source of this cost estimate? If so, what is the basis for the estimate? Please provide a breakdown of estimated salary and non-salary costs. Are these costs for one year only or does this estimate cover multiple years? Does the estimate take into account that any new costs would be offset, either wholly or partially by licensing revenues? If so, what is the estimated amount of revenues that would be generated by the new licensing scheme?

Implementing the provision of this bill will require the creation of a licensing unit. The unit would have the following components: licensing/renewal, training, compliance, and IT support. The cost estimate was developed by the Department and is based on Civil Service ranges and salaries for a manager, supervisor, paraprofessional, and clerical support. The Department cannot estimate revenues that might be generated from licensing fees because the legislation assigned the Board the authority to establish a fee for the license. If the Board were to set the fees to wholly support the licensing program, no on-going appropriation would be required. However, the legislation does not specify that the fees would wholly support the program; it simply states that a fee would be assessed for the license. Interpretation of that provision is given to the Board.

## Discussion Points (Cont'd)

26. 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 in New Jersey, the applicant household must be responsible for home heating costs, either directly or through their rent, and have a gross income at or below 200% of the federal poverty level. 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 heating 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 FFY 2014 (October 1, 2013 – September 30, 2014).

The Fiscal Year 2015 Budget anticipates LIHEAP expenditures of \$105 million, with an average assistance payment of \$350 per household. On March 2, 2014, the Associated Press reported that New Jersey, along with 13 other states and the District of Columbia, participates in the "heat and eat" program. Under the "heat and eat" program eligible recipients are provided with a minimal amount of heating assistance, which, in turn, allows them to qualify for a higher amount of benefits under the Supplemental Nutrition Assistance Program (SNAP). The Associated Press also noted that a provision of the recently enacted federal farm bill (the "Agricultural Act of 2014") would make it more difficult for states to utilize the "heat and eat" program because it requires them to provide eligible recipients with \$20 heating assistance annually before the higher SNAP benefit takes effect.

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." It is unclear whether New Jersey provides SNAP recipients with a nominal level of LIHEAP in order to allow them to qualify for additional SNAP benefits.

**• Question: Does New Jersey provide SNAP with recipients with a nominal level of LIHEAP benefits, thereby allowing them to receive additional SNAP benefits? If so, what is the nominal benefit amount? How many SNAP recipients were paid the nominal benefit amount in 2012 and 2013, respectively? At what cost? If the nominal benefit amount is less than \$20, will the State change benefit levels in order to provide SNAP recipients the required annual payment? Will the department make additional aid available if the total amount of LIHEAP funding is insufficient to provide assistance to eligible SNAP applicants?**

In response to federal legislation recently passed by Congress, DCA and DHS are currently reviewing this issue. No determination has been made regarding next steps. This review includes an analysis of the number of participants in the programs, as well as the cost of the benefits provided for the past several years.

## Discussion Points (Cont'd)

27. The Division of Codes and Standards was authorized 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.

In response to a Fiscal Year 2014 Discussion Point, 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.

- **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 their services for two more years? Has the department received any reimbursement through the FEMA Public Assistance Program for any costs incurred by the department in the aftermath of Hurricane Sandy? If so, how much?**

As of March 21, 2014, the Division of Codes and Standards had 45 hourly codes officials available to assist local municipalities as well as three full-time officials. The department's damage assessments in the immediate wake of the storm were funded through FEMA. Total FEMA Public Assistance reimbursements were \$604,387. The Division anticipates the need to continue the staff for at least two years. The ongoing effort to supplement municipal inspection resources during the rebuilding process is made possible through CDBG-DR funds.

## Discussion Points (Cont'd)

28. 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 has 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 are available to projects that receive 9% and 4% federal Low-Income Housing Tax Credits allocated by the New Jersey Housing and Mortgage Finance Agency, as well as multi-family revenue bonds, conduit bonds, and financing from other CDBG-DR programs. Private for-profit and nonprofit 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 are four components to the FRM. The first component will leverage zero- and low-interest CDBG-DR loans with 9% Low Income Housing Tax Credits. The second component will combine 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 incentivizes 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 (AMI), and market rate tenants. The third component will utilize "stand-alone" CDBG-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 will provide \$20 million for repairs to damaged public housing units, federally-owned housing units, and HUD assisted multi-family housing. CDBG-DR Action Plan Amendment No. 7, which outlines the State's proposed allocation of the second tranche of federal funds, reserves \$200 million for the FRM; \$10 million of that amount will be reserved for public housing authority recovery projects.

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 <sup>6</sup>	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) <sup>4</sup>	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	10

<sup>6</sup> 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)**

than the Per Unit Maximum)	
Total Points	105

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 a press release dated August 15, 2013, the Department of Community Affairs announced that the State had committed \$135 million in federal CDBG-DR funds to help create approximately 2,250 affordable housing “opportunities” in the nine counties most impacted and distressed by Hurricane Sandy. The bulk of these funds were awarded through the FRM program while a portion of this award was through the Sandy Special Needs Housing Fund. Additional press releases issued in September 2013, December 2013, February 2014, and March 2014 advertised the groundbreaking of affordable housing projects supported by FRM loans in Harrison Town, Long Branch Township, and New Brunswick City. The press releases regarding the projects in Long Branch Township indicate, “During the first three months of lease-up, priority will be given to individuals who registered for Federal Emergency Management Agency assistance or who rented an apartment or owned a primary residence that was no longer habitable because of Sandy damage.” Information available through the “Superstorm Sandy CDBG-DR Dashboard” indicates that \$118.144 million in FRM loan funds have been awarded, but no monies have been disbursed.

- **Question:What amount of FRM funding has been allocated to the three subsidy components of the program? What amount has been awarded through each component? What number of affordable housing opportunities will be supported by FRM loan subsidies in Fiscal Years 2014 and 2015, respectively? What is the interest rate for FRM loans? How long after a project closes with a lender or syndicator must construction begin? Please describe the agency’s efforts to notify eligible homeowners and renters that they may be eligible to receive priority consideration during initial lease period for select FRM projects.**

\$159.52 million of FRM funding has been allocated to the three subsidy components of the program. \$153.8 million has been awarded, of which \$108.6 million was part of a 9% tax credit round; \$43.4 million was part of a 4% tax credit round; and \$1.8 million was a “stand-alone” award. FRM loan subsidies will support 2,100 affordable housing units in FY2014, and 1,600 affordable housing units in FY2015. FRM will charge 0% interest during construction and 1% interest at permanent roll over.

In most cases construction is underway within 90 days of closing.

The “Sandy” priority process is as follows: The FRM funded project will be marketed to indicate a priority will be given to “qualified” FEMA registrants (or other evidence of displacement) during the first three months of lease-up.

## Discussion Points (Cont'd)

- The resident selection plan, which must be approved by NJHMFA's Property Management Division, clearly indicates this priority and its impact on the waiting list.
  - During rent-up should two qualified applicants apply, the unit would go to the Sandy-displaced victim.
  - If the project is fully occupied prior to the end of the three-month period but a qualified Sandy victim applies within the prescribed timeframe, then the applicant would move to the top of the waiting list for the next available unit.
- **Question:**Is the State required to dedicate loan principal and interest payments to the FRM in perpetuity, or at some future point can those funds be reallocated for other purposes? Is the State required to return any portion of these payments to the federal government? What amount from the second tranche of CDBG-DR funding will be allocated for each of the three subsidy components of the FRM initiative?

Federal regulations allow HMFA, as a grantee, to retain payments of principal and interest. These payments are considered program income. A revolving loan fund will be created to use the program income for additional disaster recovery activities and will be treated as additional disaster recovery CDBG-DR funds subject to the requirements of the State's Action Plan. The second tranche proposes \$200 million for FRM of which \$10 million is set aside for public housing projects. The current FRM plan is to assist 4% and "stand-alone" projects only. A non-Sandy related 9% round may be undertaken later in 2014.

- **Question:**What is the total dollar value of damage to public and federally-owned and supported housing caused by Hurricane Sandy? What the value of the unmet need? Please describe the process for awarding funds for the repair of public and other federally-owned and supported housing. What amount has been awarded in Fiscal Year 2014 for the repair of damaged public and other federally-owned and supported public housing units? How many units will be repaired? What amount of funding does the NJHMFA anticipate awarding for that purpose in Fiscal Year 2015?

The projects are awarded funding under the HMFA Board-approved PHA guidelines. The PHA set-aside is \$20 million. At this time, \$7 million in funding has been awarded to support the repairs on two projects (367 units). There is an existing pipeline within the PHA set-aside, including Carteret, Jersey City and Keyport. The second tranche includes a \$10 million set-aside for public housing.

## Discussion Points (Cont'd)

29. 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 Department of Community Affairs (DCA) in 2002 by Executive Reorganization Plans. The NJHT runs a number of programs that provide grants for a variety of historic preservation, restoration, and repair projects. The NJHT is supported by 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.

On January 31, 2012, the Department of Community Affairs and the NJHT announced the launch of a capital needs survey intended to collect information on the repair, restoration, and improvement needs of historic sites throughout New Jersey. The survey began on February 1, 2012 and ended on May 1, 2012. Respondents were asked questions about a building's use, repair needs, projected repair costs, and, if appropriate, its participation in heritage tourism development. According to a DCA press release announcing the start of the survey, a "historic building" is defined as a structure that was built more than 50 years ago (prior to 1962). A property does not need to be listed on the State or national Register of Historic Places to be included in the survey. Buildings owned by private homeowners or businesses were not eligible to participate in the survey. The NJHT conducted its first capital needs survey in 1990. In 2012, the NJHT issued a Request for Proposal (RFP) for the preparation of a report that documents the State's historic preservation efforts, identifies future historic preservation needs, and discusses how existing loan and grant programs might develop to meet those needs. According to the NJHT website, the capital survey results were to be published in 2013, however, according to the NJHT 2013 Annual Report, a summary of the study will be released "early in 2014."

**• Question: What is that status of the New Jersey Historic Trust Capital Needs Survey? How many submissions did the NJHT receive in response to the 2012 RFP? Has a contract for the preparation of the capital needs study been awarded? To whom was the contract awarded and for what amount is the contract? When does the NJHT expect the results of the capital needs survey to be published?**

The capital needs survey was completed/closed to respondents in December 2012. (Due to a low response rate, the May 1 deadline originally identified in the press release was extended and the Trust initiated a more proactive approach to collecting the information. The Trust also wanted to ensure a good geographic distribution.) The data collection was done in-house using Historic Trust personnel. We received 356 responses indicating a capital need of \$786,964,793. Through a competitive bidding process, Public History Partners was selected (out of three responses) to prepare an analysis of the capital needs survey data (contract amount \$22,000). The final report is in the process of being prepared. The publication is expected by June 2014.

*State of New Jersey*  
*Community Disaster Loan Status Report*  
 3-20-14

Loans by Applicant	Obligated Amount	Amount Drawn Down
Atlantic Highlands, Borough of	\$2,108,876	\$2,108,876.00
Stafford Township	\$5,000,000	\$2,000,000.00
Kearsburg, Borough of	\$3,954,766	\$1,970,000.00
Lavallette, Borough of	\$2,712,475	\$1,574,000.00
Toms River M.U.A.	\$4,679,306	\$2,359,650.00
Mantoloking, Borough of	\$831,074	\$831,074.00
Little Silver, Borough of	\$1,829,324	\$215,000.00
Little Egg Harbor Township	\$4,319,506	\$1,750,000.00
Oceanport, Borough of	\$1,154,931	\$300,000.00
Toms River Township	\$5,000,000	\$5,000,000.00
Sea Bright, Borough of	\$1,297,273	\$1,297,273.00
Toms River Fire District #1	\$1,550,078	\$1,000,000.00
Downe Township	\$195,236	\$195,236.00
Avon By The Sea, Borough of	\$1,626,160	\$1,626,160.00
Beach Haven, Borough of	\$2,252,255	\$1,719,896.00
Highlands, Borough of	\$2,363,102	\$2,363,102.00
Monmouth Beach, Borough of	\$896,810	\$633,468.00
Seaside Heights, Borough of	\$3,875,590	\$3,875,000.00
Seaside Park, Borough of	\$2,554,234	\$1,883,637.32
Tuckerton, Borough of	\$1,195,070	\$97,500.00
Ocean County	\$5,000,000	\$5,000,000.00
Little Egg Harbor Municipal Utilities Authority	\$1,337,926	\$349,696.69
Berkeley Township	\$5,000,000	\$5,000,000.00
Berkeley Township School District	\$5,000,000	\$365,211.00
Bay Head, Borough of	\$965,512	\$300,000.00
Belmar Township	\$4,484,184	\$4,484,184.00
Little Ferry, Borough of	\$2,536,457	\$1,762,300.00
Moonachie, Borough of	\$2,212,128	\$1,488,020.00
Ocean Gate, Borough of	\$531,497	\$531,497.00
Point Pleasant Beach, Borough of	\$3,382,583	\$900,000.00
Spring Lake, Borough of	\$2,103,350	\$0.00
Central Regional School District	\$5,000,000	\$1,977,152.83
Atlantic City, City of	\$5,000,000	\$5,000,000.00
Brigantine City	\$5,000,000	\$0.00
Ventnor City, City of	\$5,000,000	\$1,165,000.00
Moonachie, Board of Education	\$2,078,927	\$0.00
Ocean County, Library Commission	\$5,000,000	\$0.00
Ocean County Vocational Technical School District	\$5,000,000	\$0.00
Seaside Heights, School District	\$1,043,805	\$777,549.57
Seaside Park, Board of Education	\$258,821	\$258,821.00
Toms River Regional School District	\$5,000,000	\$4,588,852.02
Brick, Township of	\$5,000,000	\$5,000,000.00
Little Egg Harbor Fire District #2	\$83,396	\$0.00
Manasquan, Borough of	\$2,769,837	\$1,426,240.00
Manasquan, Fire District	\$145,882	\$0.00
Brick Township M.U.A.	\$5,000,000	\$0.00
Bay Head School District	\$855,273	\$0.00
Highlands Elementary School District	\$729,497	\$98,899.00
Little Ferry School District	\$4,708,701	\$312,000.00
Manasquan, School District	\$4,719,338	\$828,132.70
Ocean County, Health Department	\$5,000,000	\$0.00
Ocean Gate School District	\$460,955	\$21,000.00
Southern Regional School District	\$5,000,000	\$0.00
Union Beach, School District	\$4,158,107	\$0.00
Shore Regional School District	\$3,660,822	\$0.00
Monmouth Beach, Board of Education	\$1,157,161	\$0.00
Tuckerton School District	\$1,135,499	\$49,855.00
Point Pleasant, Borough of	\$4,702,202	\$2,261,463.00
Oceanport, School District	\$2,398,690	\$0.00
Union Beach, Borough of	\$2,057,145	\$0.00
<b>TOTALS</b>	<b>\$174,023,761</b>	<b>\$77,045,746.13</b>

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
ABSECON CITY	ATLANTIC	-	-	-	-
ATLANTIC CITY	ATLANTIC	-	-	-	-
BRIGANTINE CITY	ATLANTIC	147,769	-	43,981	51,471
BUENA BORO	ATLANTIC	-	-	-	-
BUENA VISTA TWP	ATLANTIC	-	-	-	-
CORBIN CITY	ATLANTIC	-	-	-	-
EGG HARBOR CITY	ATLANTIC	-	-	-	-
EGG HARBOR TWP	ATLANTIC	136,912	271,804	-	5,625
ESTELLE MANOR CITY	ATLANTIC	-	-	-	-
FOLSOM BORO	ATLANTIC	-	-	-	-
GALLOWAY TWP	ATLANTIC	901,295	-	-	-
HAMILTON TWP	ATLANTIC	110,734	240,357	181	-
HAMMONTON TOWN	ATLANTIC	818	55,986	-	2,444
LINWOOD CITY	ATLANTIC	-	-	7,578	3,947
LONGPORT BORO	ATLANTIC	-	-	-	-
MARGATE CITY	ATLANTIC	-	-	-	-
MULLICA TWP	ATLANTIC	-	-	-	-
NORTHFIELD CITY	ATLANTIC	-	-	-	-
PLEASANTVILLE CITY	ATLANTIC	-	-	-	-
PORT REPUBLIC CITY	ATLANTIC	-	-	-	-
SOMERS POINT CITY	ATLANTIC	17,969	90,679	22,731	25,876
VENTNOR CITY	ATLANTIC	-	-	-	-
WEYMOUTH TWP	ATLANTIC	-	-	-	-
ALLENDALE BORO	BERGEN	290,706	-	-	353,687
ALPINE BORO	BERGEN	1,572,283	548,288	229,148	466,022
BERGENFIELD BORO	BERGEN	-	-	-	-
BOGOTA BORO	BERGEN	-	-	-	-
CARLSTADT BORO	BERGEN	-	-	-	-
CLIFFSIDE PARK BORO	BERGEN	-	-	-	-
CLOSTER BORO	BERGEN	977,875	900,774	-	54,460
CRESSKILL BORO	BERGEN	688,609	367,459	84,482	6,703
DEMAREST BORO	BERGEN	334,547	378,775	-	26,167
DUMONT BORO	BERGEN	-	-	-	-
ELMWOOD PARK BORO	BERGEN	-	-	-	-
EAST RUTHERFORD BORO	BERGEN	-	34,325	-	-
EDGEWATER BORO	BERGEN	502,787	789,095	-	84,193
EMERSON BORO	BERGEN	159,680	127,049	2,157	16,415
ENGLEWOOD CITY	BERGEN	44,138	7,013	-	14,984
ENGLEWOOD CLIFFS BORO	BERGEN	1,303,587	702,258	29,003	93,223
FAIR LAWN BORO	BERGEN	24,907	-	-	8,863
FAIRVIEW BORO	BERGEN	-	-	-	-
FORT LEE BORO	BERGEN	6,040,857	724,581	80,027	-
FRANKLIN LAKES BORO	BERGEN	301,419	-	120,292	287,459
GARFIELD CITY	BERGEN	-	-	-	-
GLEN ROCK BORO	BERGEN	88,864	6,494	19,398	34,961
HACKENSACK CITY	BERGEN	-	-	-	-
HARRINGTON PARK BORO	BERGEN	57,623	40,024	1,060	4,069

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
HASBROUCK HEIGHTS BORO	BERGEN	-	-	-	-
HAWORTH BORO	BERGEN	162,116	252,339	-	-
HILLSDALE BORO	BERGEN	88,313	32,520	20,581	79
HO-HO-KUS BORO	BERGEN	170,358	122,735	9,202	2,155
LEONIA BORO	BERGEN	16,388	8,001	38	40
LITTLE FERRY BORO	BERGEN	25	25,650	-	-
LODI BORO	BERGEN	-	-	-	-
LYNDHURST TWP	BERGEN	-	-	-	-
MAHWAH TWP	BERGEN	2,279,579	1,595,428	314,203	-
MAYWOOD BORO	BERGEN	-	-	-	-
MIDLAND PARK BORO	BERGEN	6,273	6,232	40	-
MONTVALE BORO	BERGEN	286,395	908,580	52,419	-
MOONACHIE BORO	BERGEN	-	-	-	-
NEW MILFORD BORO	BERGEN	-	-	-	-
NORTH ARLINGTON BORO	BERGEN	-	-	-	-
NORTHVALE BORO	BERGEN	-	-	-	-
NORWOOD BORO	BERGEN	74,100	21,953	4,298	16,281
OAKLAND BORO	BERGEN	611,521	779,190	-	11,061
OLD TAPPAN BORO	BERGEN	448,516	174,198	44,728	55,613
ORADELL BORO	BERGEN	7,411	-	8,006	-
PALISADES PARK BORO	BERGEN	-	-	-	-
PARAMUS BORO	BERGEN	670,146	5,128,922	-	60,232
PARK RIDGE BORO	BERGEN	321,326	482,516	120,696	-
RAMSEY BORO	BERGEN	861,271	442,335	-	130,635
RIDGEFIELD BORO	BERGEN	(411)	125,985	-	64
RIDGEFIELD PARK VILLAGE	BERGEN	109,894	117,832	-	-
RIDGEWOOD VILLAGE	BERGEN	352,300	253,958	26,086	27,921
RIVER EDGE BORO	BERGEN	-	-	-	-
RIVER VALE TWP	BERGEN	143,893	-	46,516	56,899
ROCHELLE PARK TWP	BERGEN	501,816	497,940	-	999
ROCKLEIGH BORO	BERGEN	-	-	-	-
RUTHERFORD BORO	BERGEN	334,959	142,923	34,032	156,012
SADDLE BROOK TWP	BERGEN	617,649	1,437,379	-	-
SADDLE RIVER BORO	BERGEN	-	-	-	-
SOUTH HACKENSACK TWP	BERGEN	118,596	128,653	-	-
TEANECK TWP	BERGEN	71,038	70,833	132	37
TENAFLY BORO	BERGEN	1,006,326	1,227,819	-	254,823
TETERBORO BORO	BERGEN	-	-	-	-
UPPER SADDLE RIVER BORO	BERGEN	44,645	-	121,145	175,402
WALDWICK BORO	BERGEN	175,547	11,212	11,557	13,937
WALLINGTON BORO	BERGEN	-	-	-	-
WASHINGTON TWP	BERGEN	106,248	105,443	805	-
WESTWOOD BORO	BERGEN	39,519	23,959	15,280	168
WOODCLIFF LAKE BORO	BERGEN	488,731	173,129	51,141	36,788
WOOD-RIDGE BORO	BERGEN	-	-	-	-
WYCKOFF TWP	BERGEN	39,334	24,297	13,874	1,014
BASS RIVER TWP	BURLINGTON	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
BEVERLY CITY	BURLINGTON	-	-	-	-
BORDENTOWN CITY	BURLINGTON	-	-	-	-
BORDENTOWN TWP	BURLINGTON	820,058	824,428	-	1,437
BURLINGTON CITY	BURLINGTON	16,909	19,168	-	314
BURLINGTON TWP	BURLINGTON	777,965	886,199	-	14,143
CHESTERFIELD TWP	BURLINGTON	5,922	1,194	-	5,590
CINNAMINSON TWP	BURLINGTON	230,139	94,215	20,065	11,816
DELANCO TWP	BURLINGTON	16,893	-	2,570	1,248
DELTRAN TWP	BURLINGTON	590,072	629,495	-	-
EASTAMPTON TWP	BURLINGTON	-	-	-	-
EDGEWATER PARK TWP	BURLINGTON	17,070	15,733	353	291
EVESHAM TWP	BURLINGTON	630,625	218,324	-	29,509
FIELDSBORO BORO	BURLINGTON	-	-	-	-
FLORENCE TWP	BURLINGTON	595,245	516,708	-	105,613
HAINESPORT TWP	BURLINGTON	505,705	181,876	34,531	-
LUMBERTON TWP	BURLINGTON	762,142	210,836	529,131	3,791
MANSFIELD TWP	BURLINGTON	566,458	341,872	97,299	54,567
MAPLE SHADE TWP	BURLINGTON	48	10,000	-	-
MEDFORD TWP	BURLINGTON	307,849	484,609	-	49,176
MEDFORD LAKES BORO	BURLINGTON	-	-	-	-
MOORESTOWN TWP	BURLINGTON	199,679	133,352	-	27,096
MOUNT HOLLY TWP	BURLINGTON	594	41,643	-	-
MOUNT LAUREL TWP	BURLINGTON	5,551,679	6,598,101	404,873	-
NEW HANOVER TWP	BURLINGTON	3,001	39,147	-	-
NORTH HANOVER TWP	BURLINGTON	164,788	172,482	-	2,051
PALMYRA BORO	BURLINGTON	-	-	-	-
PEMBERTON BORO	BURLINGTON	356,424	394,789	-	-
PEMBERTON TWP	BURLINGTON	18,876	18,876	-	-
RIVERSIDE TWP	BURLINGTON	-	-	-	-
RIVERTON BORO	BURLINGTON	56,294	125,731	-	6,456
SHAMONG TWP	BURLINGTON	-	-	-	-
SOUTHAMPTON TWP	BURLINGTON	249,892	242,892	2,845	36,846
SPRINGFIELD TWP	BURLINGTON	330,258	290,951	-	16,389
TABERNACLE TWP	BURLINGTON	-	-	-	-
WASHINGTON TWP	BURLINGTON	-	-	-	-
WESTAMPTON TWP	BURLINGTON	156,692	196,072	-	-
WILLINGBORO TWP	BURLINGTON	42,227	109,421	-	-
WOODLAND TWP	BURLINGTON	-	-	-	-
WRIGHTSTOWN BORO	BURLINGTON	-	-	-	-
AUDUBON BORO	CAMDEN	-	-	-	-
AUDUBON PARK BORO	CAMDEN	-	-	-	-
BARRINGTON BORO	CAMDEN	-	-	-	-
BELLMAWR BORO	CAMDEN	-	-	-	-
BERLIN BORO	CAMDEN	457,448	563,125	854	-
BERLIN TWP	CAMDEN	-	-	-	-
BROOKLAWN BORO	CAMDEN	-	-	-	-
CAMDEN CITY	CAMDEN	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
CHERRY HILL TWP	CAMDEN	2,292,002	1,713,063	-	39,503
CHESILHURST BORO	CAMDEN	-	-	-	-
CLEMENTON BORO	CAMDEN	-	-	-	-
COLLINGSWOOD BORO	CAMDEN	-	-	-	-
GIBBSBORO BORO	CAMDEN	17,673	17,644	4	7
GLOUCESTER CITY	CAMDEN	-	-	-	-
GLOUCESTER TWP	CAMDEN	394,919	624,216	-	79,555
HADDON TWP	CAMDEN	-	-	-	-
HADDONFIELD BORO	CAMDEN	326,471	303,770	-	41,862
HADDON HEIGHTS BORO	CAMDEN	-	-	-	-
HI-NELLA BORO	CAMDEN	-	-	-	-
LAUREL SPRINGS BORO	CAMDEN	-	-	-	-
LAWNSIDE BORO	CAMDEN	-	-	-	-
LINDENWOLD BORO	CAMDEN	-	-	-	-
MAGNOLIA BORO	CAMDEN	-	-	-	-
MERCHANTVILLE BORO	CAMDEN	-	-	-	-
MOUNT EPHRAIM BORO	CAMDEN	602	602	-	-
OAKLYN BORO	CAMDEN	-	-	-	-
PENNSAUKEN TWP	CAMDEN	23,906	135,187	-	-
PINE HILL BORO	CAMDEN	-	-	-	-
PINE VALLEY BORO	CAMDEN	-	-	-	-
RUNNEMEDE BORO	CAMDEN	-	-	-	-
SOMERDALE BORO	CAMDEN	-	-	-	-
STRATFORD BORO	CAMDEN	-	-	-	-
TAVISTOCK BORO	CAMDEN	-	-	-	-
VOORHEES TWP	CAMDEN	236,408	162,937	5,294	7,482
WATERFORD TWP	CAMDEN	-	-	-	-
WINSLOW TWP	CAMDEN	19,427	111,202	-	29,402
WOODLYNNE BORO	CAMDEN	-	-	-	-
AVALON BORO	CAPE MAY	-	-	-	-
CAPE MAY CITY	CAPE MAY	330,164	-	15,788	93,280
CAPE MAY POINT BORO	CAPE MAY	105,505	36,048	16,530	21,003
DENNIS TWP	CAPE MAY	-	-	-	-
LOWER TWP	CAPE MAY	-	-	-	-
MIDDLE TWP	CAPE MAY	1,378,440	1,456,930	-	4,024
NORTH WILDWOOD CITY	CAPE MAY	-	-	-	-
OCEAN CITY	CAPE MAY	1,341,465	45,867	-	254,642
SEA ISLE CITY	CAPE MAY	-	-	-	-
STONE HARBOR BORO	CAPE MAY	710,782	-	101,984	137,862
UPPER TWP	CAPE MAY	357,425	143,719	-	93,506
WEST CAPE MAY BORO	CAPE MAY	195,363	20,831	4,617	28,221
WEST WILDWOOD BORO	CAPE MAY	-	-	-	-
WILDWOOD CITY	CAPE MAY	-	-	-	-
WILDWOOD CREST BORO	CAPE MAY	-	-	-	-
WOODBINE BORO	CAPE MAY	-	-	-	-
BRIDGETON CITY	CUMBERLAND	-	-	-	-
COMMERCIAL TWP	CUMBERLAND	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
DEERFIELD TWP	CUMBERLAND	-	-	-	-
DOWNE TWP	CUMBERLAND	-	-	-	-
FAIRFIELD TWP	CUMBERLAND	-	-	-	-
GREENWICH TWP	CUMBERLAND	-	-	-	-
HOPEWELL TWP	CUMBERLAND	40,419	18,856	3,018	5,297
LAWRENCE TWP	CUMBERLAND	-	-	-	-
MAURICE RIVER TWP	CUMBERLAND	-	-	-	-
MILLVILLE CITY	CUMBERLAND	(0)	120,082	-	-
SHILOH BORO	CUMBERLAND	-	-	-	-
STOW CREEK TWP	CUMBERLAND	-	-	-	-
UPPER DEERFIELD TWP	CUMBERLAND	-	-	-	-
VINELAND CITY	CUMBERLAND	151,534	777,315	-	-
BELLEVILLE TWP	ESSEX	-	-	-	-
BLOOMFIELD TWP	ESSEX	-	-	-	-
CALDWELL BORO	ESSEX	-	-	-	-
CEDAR GROVE TWP	ESSEX	247,231	112,372	36,911	58,403
EAST ORANGE CITY	ESSEX	-	-	-	-
ESSEX FELLS BORO	ESSEX	-	-	-	-
FAIRFIELD TWP	ESSEX	501,662	368,965	23,682	75,130
GLEN RIDGE BORO	ESSEX	-	-	-	-
IRVINGTON TWP	ESSEX	-	-	-	-
LIVINGSTON TWP	ESSEX	2,280,709	1,313,036	41,770	122,403
MAPLEWOOD TWP	ESSEX	0	491	-	2
MILLBURN TWP	ESSEX	-	-	-	-
MONTCLAIR TWP	ESSEX	422,953	27,924	-	29,451
NEWARK CITY	ESSEX	-	-	-	-
NORTH CALDWELL BORO	ESSEX	971,302	77,967	41,401	27,198
NUTLEY TWP	ESSEX	239,012	27,873	36,183	23,356
ORANGE CITY	ESSEX	-	-	-	-
ROSELAND BORO	ESSEX	31,312	13,956	8,056	6,403
SOUTH ORANGE VILLAGE TWP	ESSEX	95,675	120,127	-	-
VERONA TWP	ESSEX	107,194	94,644	4,100	4,659
WEST CALDWELL TWP	ESSEX	-	-	-	-
WEST ORANGE TWP	ESSEX	2,165,716	477,127	-	723,426
CLAYTON BORO	GLOUCESTER	15,859	15,546	78	78
DEPTFORD TWP	GLOUCESTER	1,068,756	994,453	54,048	-
EAST GREENWICH TWP	GLOUCESTER	814,945	531,709	125,365	10,112
ELK TWP	GLOUCESTER	105,582	46,922	6,048	26,781
FRANKLIN TWP	GLOUCESTER	-	-	-	-
GLASSBORO BORO	GLOUCESTER	180,671	40,166	30,040	-
GREENWICH TWP	GLOUCESTER	-	-	-	-
HARRISON TWP	GLOUCESTER	1,816,219	1,375,220	247,533	-
LOGAN TWP	GLOUCESTER	-	-	-	-
MANTUA TWP	GLOUCESTER	621,338	242,210	-	22,940
MONROE TWP	GLOUCESTER	354,290	132,665	120,962	215,915
NATIONAL PARK BORO	GLOUCESTER	-	-	-	-
NEWFIELD BORO	GLOUCESTER	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
PAULSBORO BORO	GLOUCESTER	-	-	-	-
PITMAN BORO	GLOUCESTER	-	-	-	-
SOUTH HARRISON TWP	GLOUCESTER	-	-	-	-
SWEDESBORO BORO	GLOUCESTER	2,878	9,358	-	24
WASHINGTON TWP	GLOUCESTER	248,710	416,545	-	73,011
WENONAH BORO	GLOUCESTER	-	-	-	-
WEST DEPTFORD TWP	GLOUCESTER	-	-	-	-
WESTVILLE BORO	GLOUCESTER	-	-	-	-
WOODBURY CITY	GLOUCESTER	-	-	-	-
WOODBURY HEIGHTS BORO	GLOUCESTER	-	-	-	-
WOOLWICH TWP	GLOUCESTER	313,674	-	80,046	61,511
BAYONNE CITY	HUDSON	1,039,512	-	767,254	316,274
EAST NEWARK BORO	HUDSON	-	-	-	-
GUTTENBERG TOWN	HUDSON	-	-	-	-
HARRISON TOWN	HUDSON	627,807	29,603	49,598	22,200
HOBOKEN CITY	HUDSON	-	-	-	-
JERSEY CITY	HUDSON	-	-	-	-
KEARNY TOWN	HUDSON	-	-	-	-
NORTH BERGEN TWP	HUDSON	-	-	-	-
SECAUCUS TOWN	HUDSON	124,441	-	-	11,253
UNION CITY	HUDSON	628	-	-	628
WEEHAWKEN TWP	HUDSON	(0)	-	64	10
WEST NEW YORK TOWN	HUDSON	-	-	-	-
ALEXANDRIA TWP	HUNTERDON	38,630	-	26,828	32,720
BETHLEHEM TWP	HUNTERDON	4,013	2,332	59	1,584
BLOOMSBURY BORO	HUNTERDON	-	-	-	-
CALIFON BORO	HUNTERDON	-	-	-	-
CLINTON TOWN	HUNTERDON	24,523	24,558	117	-
CLINTON TWP	HUNTERDON	15,734	-	13,400	5,830
DELAWARE TWP	HUNTERDON	106,703	-	54,137	31,562
EAST AMWELL TWP	HUNTERDON	101,550	66,405	11,759	15,493
FLEMINGTON BORO	HUNTERDON	164,105	174,054	-	468
FRANKLIN TWP	HUNTERDON	8,630	-	-	1,306
FRENCHTOWN BORO	HUNTERDON	9,570	9,242	143	183
GLEN GARDNER BORO	HUNTERDON	3,268	-	-	1,837
HAMPTON BORO	HUNTERDON	-	-	-	-
HIGH BRIDGE BORO	HUNTERDON	7,326	9,301	-	38
HOLLAND TWP	HUNTERDON	1,776	-	-	4,309
KINGWOOD TWP	HUNTERDON	74,757	-	16,267	29,751
LAMBERTVILLE CITY	HUNTERDON	4,619	-	-	-
LEBANON BORO	HUNTERDON	-	-	-	-
LEBANON TWP	HUNTERDON	41,999	15,461	-	-
MILFORD BORO	HUNTERDON	5,479	5,445	22	6
RARITAN TWP	HUNTERDON	822,979	919,301	-	133,738
READINGTON TWP	HUNTERDON	159,573	-	120,066	183,175
STOCKTON BORO	HUNTERDON	-	-	-	-
TEWKSBURY TWP	HUNTERDON	36,511	-	8,331	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
UNION TWP	HUNTERDON	22,244	62,451	-	11,112
WEST AMWELL TWP	HUNTERDON	55,148	-	4,711	3,134
EAST WINDSOR TWP	MERCER	127,973	50,271	9,629	4,179
EWING TWP	MERCER	494,868	810,594	-	-
HAMILTON TWP	MERCER	2,505,282	1,751,405	87,640	223,742
HIGHTSTOWN BORO	MERCER	311,047	366,686	-	12,020
HOPEWELL BORO	MERCER	7,844	7,715	74	24
HOPEWELL TWP	MERCER	463,110	511,265	-	164,085
LAWRENCE TWP	MERCER	161,252	342,029	-	68,927
PENNINGTON BORO	MERCER	66,590	92,980	-	6,356
PRINCETON BORO	MERCER	349,639	734,126	-	91,116
PRINCETON TWP	MERCER	351,554	-	273,071	213,411
TRENTON CITY	MERCER	-	-	-	-
ROBBINSVILLE TWP	MERCER	466,785	238,643	-	163,647
WEST WINDSOR TWP	MERCER	0	-	157,156	166,208
PRINCETON	MERCER	-	-	-	-
CARTERET BORO	MIDDLESEX	-	-	-	-
CRANBURY TWP	MIDDLESEX	6,093	47,950	-	5,954
DUNELLEN BORO	MIDDLESEX	-	-	-	-
EAST BRUNSWICK TWP	MIDDLESEX	505,531	436,518	-	-
EDISON TWP	MIDDLESEX	3,159,475	1,953,562	221,105	274,589
HELMETTA BORO	MIDDLESEX	9,085	7,485	841	758
HIGHLAND PARK BORO	MIDDLESEX	-	-	-	-
JAMESBURG BORO	MIDDLESEX	-	-	-	-
OLD BRIDGE TWP	MIDDLESEX	1,123,052	445,970	-	172,653
METUCHEN BORO	MIDDLESEX	90,400	17,496	23,193	18,206
MIDDLESEX BORO	MIDDLESEX	-	-	-	-
MILLTOWN BORO	MIDDLESEX	-	-	-	-
MONROE TWP	MIDDLESEX	13,167,118	10,979,125	23,130	330,279
NEW BRUNSWICK CITY	MIDDLESEX	-	-	-	-
NORTH BRUNSWICK TWP	MIDDLESEX	118,423	256,031	-	-
PERTH AMBOY CITY	MIDDLESEX	-	-	-	-
PISCATAWAY TWP	MIDDLESEX	315,835	155,713	-	75,849
PLAINSBORO TWP	MIDDLESEX	288,636	155,114	70,721	-
SAYREVILLE BORO	MIDDLESEX	-	-	-	-
SOUTH AMBOY CITY	MIDDLESEX	-	-	-	-
SOUTH BRUNSWICK TWP	MIDDLESEX	2,971,576	4,653,558	-	-
SOUTH PLAINFIELD BORO	MIDDLESEX	303,419	289,476	-	-
SOUTH RIVER BORO	MIDDLESEX	-	-	-	-
SPOTSWOOD BORO	MIDDLESEX	-	-	-	-
WOODBIDGE TWP	MIDDLESEX	684,312	2,540,136	-	-
ALLENHURST BORO	MONMOUTH	-	-	-	-
ALLENTOWN BORO	MONMOUTH	-	-	-	-
ASBURY PARK CITY	MONMOUTH	-	-	-	-
ATLANTIC HIGHLANDS BORO	MONMOUTH	-	-	-	-
AVON-BY-THE-SEA BORO	MONMOUTH	-	-	-	-
BELMAR BORO	MONMOUTH	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
BRADLEY BEACH BORO	MONMOUTH	-	-	-	-
BRIELLE BORO	MONMOUTH	-	-	-	-
COLTS NECK TOWNSHIP	MONMOUTH	464,286	245,956	48,394	50,528
DEAL BORO	MONMOUTH	-	-	-	-
EATONTOWN BORO	MONMOUTH	1,208,199	1,098,436	-	-
ENGLISHTOWN BORO	MONMOUTH	148	37,925	-	78
FAIR HAVEN BORO	MONMOUTH	-	-	-	-
FARMINGDALE BORO	MONMOUTH	69,059	5,879	354	206
FREEHOLD BORO	MONMOUTH	-	-	-	-
FREEHOLD TWP	MONMOUTH	795,602	672,072	148,093	-
HIGHLANDS BORO	MONMOUTH	-	-	-	-
HOLMDEL TWP	MONMOUTH	3,241,467	1,282,594	1,068,058	491,171
HOWELL TWP	MONMOUTH	969,910	1,186,542	-	-
INTERLAKEN BORO	MONMOUTH	-	-	-	-
KEANSBURG BORO	MONMOUTH	-	-	-	-
KEYPORT BORO	MONMOUTH	-	-	-	-
LITTLE SILVER BORO	MONMOUTH	369,937	-	67,524	83,797
LOCH ARBOUR VILLAGE	MONMOUTH	-	-	-	-
LONG BRANCH CITY	MONMOUTH	-	-	-	-
MANALAPAN TWP	MONMOUTH	2,714,213	1,121,069	1,358,887	-
MANASQUAN BORO	MONMOUTH	231,191	109,448	26,870	-
MARLBORO TWP	MONMOUTH	7,048,444	4,965,272	355,484	296,712
MATAWAN BORO	MONMOUTH	-	-	-	-
ABERDEEN TWP	MONMOUTH	649,031	692,214	-	28,261
MIDDLETOWN TWP	MONMOUTH	893,442	446,981	196,089	167,717
MILLSTONE TWP	MONMOUTH	67,433	-	-	36,217
MONMOUTH BEACH BORO	MONMOUTH	134,262	16,298	70,628	47,336
NEPTUNE TWP	MONMOUTH	222,290	110,961	95,036	1,316
NEPTUNE CITY BORO	MONMOUTH	-	-	-	-
TINTON FALLS BORO	MONMOUTH	1,162,353	1,825,491	-	-
OCEAN TWP	MONMOUTH	-	-	-	-
OCEANPORT BORO	MONMOUTH	106,895	6,836	2,562	41,650
HAZLET TWP	MONMOUTH	-	-	-	-
RED BANK BORO	MONMOUTH	18,557	-	8,604	3,081
ROOSEVELT BORO	MONMOUTH	-	-	-	-
RUMSON BORO	MONMOUTH	934,042	1,190,942	-	196,146
SEA BRIGHT BORO	MONMOUTH	-	-	-	-
SEA GIRT BORO	MONMOUTH	-	-	-	-
SHREWSBURY BORO	MONMOUTH	79,471	34,791	18,215	3,859
SHREWSBURY TWP	MONMOUTH	-	-	-	-
LAKE COMO BORO	MONMOUTH	-	-	-	-
SPRING LAKE BORO	MONMOUTH	1,717,880	733,277	227,235	172,842
SPRING LAKE HEIGHTS BORO	MONMOUTH	-	-	-	-
UNION BEACH BORO	MONMOUTH	-	-	-	-
UPPER FREEHOLD TWP	MONMOUTH	1,233,354	1,918,763	-	914,814
WALL TWP	MONMOUTH	4,930	-	222,257	280,593
WEST LONG BRANCH BORO	MONMOUTH	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
BOONTON TOWN	MORRIS	331,833	271,948	2,309	17,675
BOONTON TWP	MORRIS	-	-	-	-
BUTLER BORO	MORRIS	-	-	-	-
CHATHAM BORO	MORRIS	159,093	105,131	19,146	5,638
CHATHAM TWP	MORRIS	-	-	-	-
CHESTER BORO	MORRIS	5,200	-	-	6,120
CHESTER TWP	MORRIS	168,179	-	91,970	3,699
DENVILLE TWP	MORRIS	417,807	149,270	-	32,405
DOVER TOWN	MORRIS	107,353	284,326	-	8,692
EAST HANOVER TWP	MORRIS	25,700	-	82,758	51,968
FLORHAM PARK BORO	MORRIS	102,739	896,861	-	40,606
HANOVER TWP	MORRIS	1,275,275	1,018,298	-	-
HARDING TWP	MORRIS	134,888	-	134,549	83,221
JEFFERSON TWP	MORRIS	83,038	81,552	989	330
KINNELON BORO	MORRIS	-	-	-	-
LINCOLN PARK BORO	MORRIS	5,822	-	6,403	-
MADISON BORO	MORRIS	285,727	-	65,883	61,010
MENDHAM BORO	MORRIS	99,866	40,198	-	18,161
MENDHAM TWP	MORRIS	-	-	-	-
MINE HILL TWP	MORRIS	-	-	-	-
MONTVILLE TWP	MORRIS	974	56,955	-	29
MORRIS TWP	MORRIS	137,847	65,984	-	-
MORRIS PLAINS BORO	MORRIS	-	-	-	-
MORRISTOWN TOWN	MORRIS	921,093	-	375,000	236,425
MOUNTAIN LAKES BORO	MORRIS	12,717	12,689	28	-
MOUNT ARLINGTON BORO	MORRIS	-	-	-	-
MOUNT OLIVE TWP	MORRIS	1,178,203	732,821	8,512	38,753
NETCONG BORO	MORRIS	-	-	-	-
PARSIPPANY-TROY HILLS TWP	MORRIS	2,803,243	2,730,093	-	43,925
LONG HILL TWP	MORRIS	437,237	403,747	41,163	-
PEQUANNOCK TWP	MORRIS	169,687	145,394	24,349	-
RANDOLPH TWP	MORRIS	105,113	74,247	-	41,170
RIVERDALE BORO	MORRIS	1,148,951	346,093	696	801,733
ROCKAWAY BORO	MORRIS	11,144	11,144	-	-
ROCKAWAY TWP	MORRIS	630,489	97,646	675	176,859
ROXBURY TWP	MORRIS	55,858	-	13,026	83,201
VICTORY GARDENS BORO	MORRIS	-	-	-	-
WASHINGTON TWP	MORRIS	300,805	184,884	-	144,939
WHARTON BORO	MORRIS	106,000	104,331	1,013	35
BARNEGAT LIGHT BORO	OCEAN	-	-	-	-
BAY HEAD BORO	OCEAN	292,668	128,283	16,614	30,241
BEACH HAVEN BORO	OCEAN	-	-	-	-
BEACHWOOD BORO	OCEAN	-	-	-	-
BERKELEY TWP	OCEAN	870,765	652,716	-	143,559
BRICK TWP	OCEAN	622,231	-	52,025	231,652
TOMS RIVER TOWNSHIP	OCEAN	790,477	202,396	-	134,202
EAGLESWOOD TWP	OCEAN	-	-	-	-

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
HARVEY CEDARS BORO	OCEAN	-	-	-	-
ISLAND HEIGHTS BORO	OCEAN	-	-	-	-
JACKSON TWP	OCEAN	351,149	603,238	-	158,465
LACEY TWP	OCEAN	114,831	-	222,702	12,257
LAKEHURST BORO	OCEAN	-	-	-	-
LAKEWOOD TWP	OCEAN	-	-	-	-
LAVALLETTE BORO	OCEAN	-	-	-	-
LITTLE EGG HARBOR TWP	OCEAN	139,717	320,447	83,627	-
LONG BEACH TWP	OCEAN	-	-	-	-
MANCHESTER TWP	OCEAN	807,558	788,560	164,064	-
MANTOLOKING BORO	OCEAN	-	-	-	-
OCEAN TWP	OCEAN	309,662	177,632	58,041	7,459
OCEAN GATE BORO	OCEAN	-	-	-	-
PINE BEACH BORO	OCEAN	22,678	21,111	-	9,926
PLUMSTED TWP	OCEAN	-	-	-	-
POINT PLEASANT BORO	OCEAN	67,075	52,056	1,845	742
POINT PLEASANT BEACH BORO	OCEAN	-	-	-	-
SEASIDE HEIGHTS BORO	OCEAN	-	-	-	-
SEASIDE PARK BORO	OCEAN	-	-	-	-
SHIP BOTTOM BORO	OCEAN	-	-	-	-
SOUTH TOMS RIVER BORO	OCEAN	-	-	-	-
STAFFORD TWP	OCEAN	2,179,269	1,229,885	182,097	356,210
SURF CITY BORO	OCEAN	-	-	-	-
TUCKERTON BORO	OCEAN	4	3,713	-	-
BARNEGAT TWP	OCEAN	780,537	645,299	70,105	61,435
BLOOMINGDALE BORO	PASSAIC	-	-	-	-
CLIFTON CITY	PASSAIC	2,852,871	1,719,846	16,356	124,757
HALEDON BORO	PASSAIC	-	-	-	-
HAWTHORNE BORO	PASSAIC	28,866	28,171	-	1,871
LITTLE FALLS TWP	PASSAIC	24,819	555	-	50,305
NORTH HALEDON BORO	PASSAIC	631	631	-	-
PASSAIC CITY	PASSAIC	-	-	-	-
PATERSON CITY	PASSAIC	-	-	-	-
POMPTON LAKES BORO	PASSAIC	-	-	-	-
PROSPECT PARK BORO	PASSAIC	-	-	-	-
RINGWOOD BORO	PASSAIC	4,000	4,000	-	4,000
TOTOWA BORO	PASSAIC	-	-	-	-
WANAQUE BORO	PASSAIC	363,848	330,285	22,720	5,259
WAYNE TWP	PASSAIC	1,115,572	855,938	-	-
WEST MILFORD TWP	PASSAIC	42,769	48,110	-	-
WOODLAND PARK BOROUGH	PASSAIC	183,226	171,681	554	589
ALLOWAY TWP	SALEM	-	-	-	-
ELMER BORO	SALEM	-	-	-	-
ELSINBORO TWP	SALEM	-	-	-	-
LOWER ALLOWAYS CREEK TWP	SALEM	-	-	-	-
MANNINGTON TWP	SALEM	-	-	-	-
OLDMANS TWP	SALEM	103,064	261,293	-	41,423

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
PENNS GROVE BORO	SALEM	-	-	-	-
PENNSVILLE TWP	SALEM	35,966	15,142	-	12,357
PILESGROVE TWP	SALEM	53,581	22,598	16,051	6,231
PITTSGROVE TWP	SALEM	261,163	268,617	-	1,294
QUINTON TWP	SALEM	-	-	-	-
SALEM CITY	SALEM	-	-	-	-
CARNEYS POINT TWP	SALEM	31,391	6,827	-	4,368
UPPER PITTSGROVE TWP	SALEM	10,124	236,024	-	8,373
WOODSTOWN BORO	SALEM	-	-	-	-
BEDMINSTER TWP	SOMERSET	186,297	-	119,553	29,578
BERNARDS TWP	SOMERSET	1,069,694	443,073	-	238,645
BERNARDSVILLE BORO	SOMERSET	1,708,597	1,028,289	153,093	114,955
BOUND BROOK BORO	SOMERSET	-	-	-	-
BRANCHBURG TWP	SOMERSET	211,261	132,624	9,509	27,785
BRIDGEWATER TWP	SOMERSET	795,912	357,771	-	118,447
FAR HILLS BORO	SOMERSET	20,971	7,317	-	10,049
FRANKLIN TWP	SOMERSET	2,701,585	2,798,429	-	-
GREEN BROOK TWP	SOMERSET	153,905	296,489	-	21,696
HILLSBOROUGH TWP	SOMERSET	3,564,705	2,441,519	281,940	532,121
MANVILLE BORO	SOMERSET	116,791	16,060	45,600	32,786
MILLSTONE BORO	SOMERSET	-	-	-	-
MONTGOMERY TWP	SOMERSET	506,692	9,106	-	184,135
NORTH PLAINFIELD BORO	SOMERSET	-	-	-	-
PEAPACK-GLADSTONE BORO	SOMERSET	72,134	-	18,855	69,117
RARITAN BORO	SOMERSET	242,909	242,255	43	184
ROCKY HILL BORO	SOMERSET	6,765	3,583	3,001	81
SOMERVILLE BORO	SOMERSET	-	-	-	-
SOUTH BOUND BROOK BORO	SOMERSET	-	-	-	-
WARREN TWP	SOMERSET	564,949	-	180,766	124,371
WATCHUNG BORO	SOMERSET	750,832	458,104	4,688	63,499
ANDOVER BORO	SUSSEX	3,588	-	3,588	-
ANDOVER TWP	SUSSEX	16,201	-	12,807	4,567
BRANCHVILLE BORO	SUSSEX	3,490	2,278	783	302
BYRAM TWP	SUSSEX	3,361	-	8,983	26,780
FRANKFORD TWP	SUSSEX	526,063	350,119	84,726	41,045
FRANKLIN BORO	SUSSEX	181,006	178,421	126	627
FREDON TWP	SUSSEX	-	-	-	-
GREEN TWP	SUSSEX	212,072	353,103	-	6,387
HAMBURG BORO	SUSSEX	-	-	-	-
HAMPTON TWP	SUSSEX	150,779	163,670	-	3,769
HARDYSTON TWP	SUSSEX	122,011	167,297	-	-
HOPATCONG BORO	SUSSEX	125,021	75,090	17,508	24,357
LAFAYETTE TWP	SUSSEX	21,617	39,377	-	-
MONTAGUE TWP	SUSSEX	9,545	-	2,674	5,025
NEWTON TOWN	SUSSEX	128,938	-	1,275	81,461
OGDENSBURG BORO	SUSSEX	-	-	-	-
SANDYSTON TWP	SUSSEX	41,993	20,400	9,304	5,182

**Affordable Housing Trust Funds**  
(As Reported by NJ Municipalities Through 03/25/2014)

Municipality	County	3/25/14 Balance	2013 Lapse	2014 Lapse	2015 Lapse
SPARTA TWP	SUSSEX	255,812	104,474	-	35,028
STANHOPE BORO	SUSSEX	8,890	6,025	26	2,787
STILLWATER TWP	SUSSEX	73,064	71,272	703	1,003
SUSSEX BORO	SUSSEX	-	-	-	-
VERNON TWP	SUSSEX	283,610	218,600	-	4,289
WALPACK TWP	SUSSEX	-	-	-	-
WANTAGE TWP	SUSSEX	116,198	-	30,402	26,579
BERKELEY HEIGHTS TWP	UNION	573,365	1,571,822	-	33,403
CLARK TWP	UNION	-	-	-	-
CRANFORD TWP	UNION	-	-	-	-
ELIZABETH CITY	UNION	-	-	-	-
FANWOOD BORO	UNION	71,832	55,569	-	7,252
GARWOOD BORO	UNION	-	-	-	-
HILLSIDE TWP	UNION	-	-	-	-
KENILWORTH BORO	UNION	-	-	-	-
LINDEN CITY	UNION	-	-	-	-
MOUNTAINSIDE BORO	UNION	-	-	-	-
NEW PROVIDENCE BORO	UNION	26,117	44,628	-	5,491
PLAINFIELD CITY	UNION	-	-	-	-
RAHWAY CITY	UNION	-	-	-	-
ROSELLE BORO	UNION	-	-	-	-
ROSELLE PARK BORO	UNION	-	-	-	-
SCOTCH PLAINS TWP	UNION	195,029	18,452	21	38,226
SPRINGFIELD TWP	UNION	-	-	-	-
SUMMIT CITY	UNION	1,778,317	902,444	452,841	-
UNION TWP	UNION	668,217	488,268	-	16,078
WESTFIELD TOWN	UNION	-	-	-	-
WINFIELD TWP	UNION	-	-	-	-
ALLAMUCHY TWP	WARREN	41,351	19,039	3,422	951
ALPHA BORO	WARREN	-	-	-	-
BELVIDERE TOWN	WARREN	-	-	-	-
BLAIRSTOWN TWP	WARREN	118,856	161,808	-	72
FRANKLIN TWP	WARREN	3,509	3,470	-	9
FRELINGHUYSEN TWP	WARREN	5,642	-	3,194	-
GREENWICH TWP	WARREN	131,938	44,659	21,692	44,910
HACKETTSTOWN TOWN	WARREN	5,023	4,408	-	395
HARDWICK TWP	WARREN	2,030	-	7,242	5,223
HARMONY TWP	WARREN	-	-	-	-
HOPE TWP	WARREN	-	-	-	-
INDEPENDENCE TWP	WARREN	-	-	-	-
KNOWLTON TWP	WARREN	56,769	8,771	43,395	-
LIBERTY TWP	WARREN	-	-	-	-
LOPATCONG TWP	WARREN	154,444	-	81,824	71,704
MANSFIELD TWP	WARREN	326,049	-	-	3,629
OXFORD TWP	WARREN	8,580	8,580	-	-
PHILLIPSBURG TOWN	WARREN	-	-	-	-
POHATCONG TWP	WARREN	200,555	174,660	-	28,507

**Affordable Housing Trust Funds**  
 (As Reported by NJ Municipalities Through 03/25/2014)

<b>Municipality</b>	<b>County</b>	<b>3/25/14 Balance</b>	<b>2013 Lapse</b>	<b>2014 Lapse</b>	<b>2015 Lapse</b>
WASHINGTON BORO	WARREN	28,064	21,898	-	4,358
WASHINGTON TWP	WARREN	0	-	8,558	2,027
WHITE TWP	WARREN	-	-	-	-
<b>State Sum</b>		<b>156,738,498</b>	<b>121,081,345</b>	<b>12,871,812</b>	<b>16,240,891</b>