

Committee Meeting

of

SENATE ENVIRONMENT AND ENERGY COMMITTEE

ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

"Testimony on the progress of Hurricane Sandy recovery efforts"

LOCATION: Toms River Town Hall
Toms River, New Jersey

DATE: October 21, 2013
4:00 p.m.

MEMBERS OF COMMITTEES PRESENT:

Senator Bob Smith, Chair

Senator Linda R. Greenstein, Vice Chair

Senator Jennifer Beck

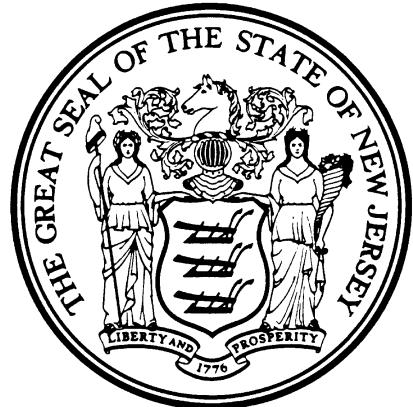
Assemblywoman L. Grace Spencer, Chair

Assemblyman Peter J. Barnes III

Assemblyman Daniel R. Benson

Assemblyman Gregory P. McGuckin

Assemblyman David W. Wolfe



ALSO PRESENT:

Judith L. Horowitz

Carrie Anne Calvo-Hahn

*Office of Legislative Services
Committee Aides*

Kevil Duhon

Senate Majority

*Christopher Pierre
Assembly Majority
Committee Aides*

Brian P. Alpert

Senate Republican

*Thea M. Sheridan
Assembly Republican
Committee Aides*

*Meeting Recorded and Transcribed by
The Office of Legislative Services, Public Information Office,
Hearing Unit, State House Annex, PO 068, Trenton, New Jersey*



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Chairman

LINDA R. GREENSTEIN
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New Jersey State Legislature

SENATE ENVIRONMENT
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STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

COMMITTEE NOTICE

TO: MEMBERS OF THE SENATE ENVIRONMENT AND ENERGY COMMITTEE
FROM: SENATOR BOB SMITH, CHAIRMAN
SUBJECT: COMMITTEE MEETING - OCTOBER 21, 2013

The public may address comments and questions to Judith L. Horowitz or Michael R. Molimock, Committee Aides, or make bill status and scheduling inquiries to Valarie Jackson, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideSEN@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The Senate Environment and Energy Committee and the Assembly Environment and Solid Waste Committee will meet jointly on Monday, October 21, 2013 at 4:00 PM in the LMH Room, Toms River Town Hall, 33 Washington Street, Toms River, New Jersey.

The committees will meet to hear testimony on the progress of Hurricane Sandy recovery efforts.

The committees have invited Commissioner Richard E. Constable III, Department of Community Affairs, and Marc Ferzan, Executive Director, Governor's Office of Recovery and Rebuilding, to speak about the progress of recovery efforts.

Issued 10/11/13

For reasonable accommodation of a disability call the telephone number or fax number above, or TTY for persons with hearing loss 609-777-2744 (toll free in NJ) 800-257-7490. The provision of assistive listening devices requires 24 hours' notice. Real time reporter or sign language interpretation requires 5 days' notice.

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PETER J. BARNES, III
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New Jersey State Legislature
ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE
STATE HOUSE ANNEX
PO BOX 068
TRENTON NJ 08625-0068

COMMITTEE NOTICE

TO: MEMBERS OF THE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

FROM: ASSEMBLYWOMAN L. GRACE SPENCER, CHAIRWOMAN

SUBJECT: COMMITTEE MEETING - OCTOBER 21, 2013

The public may address comments and questions to Carrie Anne Calvo-Hahn, Committee Aide, or make bill status and scheduling inquiries to Valarie Jackson, Secretary, at (609)847-3855, fax (609)292-0561, or e-mail: OLSAideAEN@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

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SENATOR BOB SMITH (Co-Chair): Good afternoon.

My name is Senator Bob Smith, and I welcome you to a joint meeting -- the fourth joint meeting of the Senate Environment and Energy Committee, and the Assembly Environment Committee chaired by Assemblywoman Grace Spencer.

I have -- I was going to say I have two members to arrive, but already one has arrived, and that is Senator Jen Beck from Monmouth County. And we'll have Senator Linda Greenstein shortly, coming from Mercer and Middlesex County.

We've now held four -- this will be the fourth hearing on Sandy recovery. We've heard a great deal of testimony of all kinds and all varieties from people who feel they've been treated well -- but they're in the vast minority -- to people who feel that the State government and our Federal government, and their insurance companies, have not done the job for them.

Our purpose is to take testimony. Everything that you say is being written on a transcript. We now have three transcripts from the first three hearings; there will be a fourth one from this one. And they are shared with the Governor, and all members of the Senate, and all members of the Assembly. And the point of this -- there are two points to what we are doing. The first point is to get the story out there -- to shine light on what is or is not happening in the way of Sandy recovery. And the second is for our committees to come forward with legislation hopefully to improve whatever recovery efforts are needed, but also to prevent whatever mistakes we're making now from being made in the future.

With that being said, let me turn the meeting over to Chairwoman Grace Spencer.

ASSEMBLYWOMAN L. GRACE SPENCER (Co-Chair):

Good evening, and thank you for coming out. We appreciate the fact that many of you have taken time out of your busy schedules to be a part of this hearing, and to provide us with the different stories that you may have and your experiences as you continue down your road to recovery.

Certainly we are at day number -- I think 355 since Sandy. And for a lot of people, there is still a long way to go. We're hoping that through the testimony that you provide with us here today, we can provide information back to the Governor's Office and back to the people who are helping us to recover so that the recovery can run a little smoother. And as the Senator said, should something like this ever happen again, that we're able to get back on our feet a lot quicker and a lot more efficiently so as to not have such a disruption in the lives of so many people here in the State of New Jersey.

Joining me today from the New Jersey State Assembly are Assemblyman McGuckin, from District 10; Assemblyman Wolfe, from District 10 -- both Ocean County -- Assemblyman Benson, from District 14, which is Mercer and Middlesex County; and to be joining me also will be Assemblyman Barnes, from Mercer (*sic*) County. I am Grace Spencer, and I am from District 29, which is Essex County, the City of Newark, and Belleville Township.

Once again, thank you for being a part of our hearing. We look forward to hearing your testimony.

Thank you. (applause)

SENATOR SMITH: One other announcement before we have our first witness -- and the witnesses are in no particular order -- one other announcement. This is the third out of the four meetings where we've invited representatives of the Executive Branch to be present: Marc Ferzan, who is the named *Sandy Czar* who is supposed to be coordinating all of these efforts; and the Commissioner of the Department of Community Affairs, Mr. Richard Constable. And this is the third time that we've been refused their presence.

Our first witness will be Maria La Face, Ocean County Long Term Recovery.

Ms. La Face.

M A R I A L a F A C E, E S Q.: I just actually--

I thank you for taking this testimony. I don't want to take much of your time because there are so many people here.

I am now the Chair of the Ocean County Long Term Recovery Group, and that group is a grassroots agency that is funded to provide assistance to residents.

What I wanted to tell the group is that a lot of the frustrations that we are seeing at our agency-- We have disaster case managers assigned to assist people. Some of the issues involve probably what you'll hear soon -- elevation levels, funding. Many homeowners have hit their funding limits, and they don't have enough to rebuild. The other thing is the insurance issues -- disputing their -- fighting with their insurance companies.

In my other role, I am also the Assistant Executive Director of Ocean-Monmouth Legal Services, and we are doing insurance work. So I'm happy to say that there is some help available.

The other issue is the RREM grant. People are very confused by the State grants. We appreciate the money, but they're very confused. One of the frustrations for the Long Term Recovery Group -- which does have construction teams, and volunteers, and case managers -- we can go in and we-- Well, for those who have applied for the grant -- if they're waiting for the grant, we can do nothing to assist them. We can't fix their deck, we can't go in their home and make the repairs to make it livable, because if we make those repairs, it may render them ineligible for State funding. So this is a large -- a very big frustration that we are seeing, because we have the resources available now to remedy the smaller issues and get them back into their homes, which is what people want. But at the same time, any work we do may interfere with future grant moneys. That is a large frustration.

The other one is finding contractors. At this point, contractors are overburdened, and they are taking clients but then they are not always showing up because they have a lot on their plate. It is lending itself to scams, and fraud, and price gouging. So we do have a construction manager at the Long Term Recovery group who is trying to vet some of this. But what we are finding is a severe shortage of qualified, trustworthy contractors in the state.

So I could go on -- and I have some information I'd like to be able to leave for you. I put bullet points together. I know there are many people who need to speak to you. But as the new Chair of the Long Term Recovery Group, I wanted to let you know what the frustrations were and what our group did. And I also wanted to let the residents know that we are here and we can provide some services. We have built decks, we have built ramps, we have dealt with mold and issues like that. The holdup

would be those larger grants. So if I may leave some information, I will leave it for you. And then I can pass some out as well.

We can be found on the web at Ocean County Long Term Recovery Group. A disaster case manager can be assigned to walk you through your recovery.

But those are the major glitches -- the contractors, the insurance; and to no surprise, the RREM grant seems to be more of an obstacle in some cases. And I know it wasn't intended to be, but I figured I'd let you know.

ASSEMBLYWOMAN SPENCER: And certainly, as you are aware, there are licensed contractors that are provided on the DCA website. And as far as the overburdened and the scams, I would ask that when you run across that and when you identify those contractors that are committing crimes against the different individuals, report them to the State so that we can do -- or DCA so they can do what they need to do on their part.

Now, with regard to the RREM grants, you indicated that the biggest holdup or the biggest complication that you're running into is the fact that if you go out and do something, it jeopardizes--

MS. La FACE: It potentially jeopardizes future grant moneys.
I didn't mean to interrupt you.

ASSEMBLYWOMAN SPENCER: No, go ahead.

MS. La FACE: As we understand it, anyone who was substantially damaged or deemed to be substantially damaged and applies for that large grant -- if they begin work on the home, it could render them ineligible for the grant. I'm not a contractor. I don't know what that

particular holdup would be. But we're being told we can't do any of the repairs on the interior because it needs to be dealt with.

ASSEMBLYWOMAN SPENCER: Senator Beck.

SENATOR BECK: Actually, it's funny that you'd raise this, because I was on the phone with the Commissioner today. This is a HUD requirement. The date you submitted your application -- any of the repair work that you did prior to that date is reimbursable by the RREM grant. But after the date that you submit the application, any work that is done you can't use the grant money for because you have not gone through the environmental assessment and you have not confirmed that you are not a historic property -- which is insane, right?

So the State of New Jersey has gone to HUD now several times saying, "This is crazy. People want to do work on their houses. And they have to wait until the environmental assessment is done?" So that is not a State provision. That is something that HUD is preventing us from doing. I called the Commissioner again today, because I'm dealing with several cases that are running up against that, and said that we need to write, again, another letter. I mean, whatever it takes to try to convince HUD--

Not only that, but after the anniversary of the date of the hurricane, any -- the issue of being reimbursable -- you can't reimburse for any work done after that date. So that's insane too because we have so many people who are still-- I mean, certainly in Ocean and definitely in Monmouth, we have a lot of people who haven't even cracked the surface yet. So it's something we have to work on with HUD and get our Federal representatives involved. They're really the obstacle on that issue.

MS. La FACE: Thank you. And I'm glad that you're all aware of it. You know, being on the ground, you're really not sure what everyone else knows or what the legislators know. So it was important for me to come here. We see the people -- they come in. We have the resources to assist in many ways. And then to say, "It may actually hurt you if we help you," is very frustrating on all ends.

SENATOR BECK: It's crazy.

MS. La FACE: So I'm glad.

ASSEMBLYWOMAN SPENCER: Certainly, one of the things that has been consistent throughout each of the hearings is that there are definitely some barriers that exist between the State and what it is that HUD is doing. And it's presenting serious obstacles in the recovery efforts. So we are aware of that. And Senator Beck has been an outspoken advocate in addressing this issue with the Federal government in trying to abate it so that we don't continue to basically impede the progress of the state.

Thank you.

MS. La FACE: And thank you, Senator Beck, for all of your efforts. You've been there since day one.

I'm going to leave the information; it does have some other bullet points. But I do want to give the other residents opportunities to speak.

SENATOR SMITH: Give it to the staff. They would appreciate it.

MS. La FACE: Thank you.

ASSEMBLYWOMAN SPENCER: Thank you very much.

Next up, Katherine Fulcomer.

Welcome, and thank you.

K A T H E R I N E F U L C O M E R: I think I was the last one to hand it in and the first one called.

A S S E M B L Y W O M A N S P E N C E R: Someone has to be first, someone has to be last. (laughter)

M S . F U L C O M E R: Okay. Katherine Fulcomer, 356 Roberts Avenue, Seaside Park, which is South Seaside Park, which is actually Berkeley. So we'll get that cleared up.

The first thing I think should be done is that the dunes should be built up at Island Beach State Park. In areas throughout the New Jersey shore where there were dunes -- particularly where I live in South Seaside Park -- a small area called Midway Beach -- they had absolutely no damage. But where you get to Island Beach State Park -- I understand from people who were there during the storm that there were six breaches. That water goes right across the Bay not only in my area, but it goes right across the Bay to the Bayville area of Berkeley Township, which caused a great deal of flooding.

I was a bit distressed to read in the newspaper there was a spokesman or someone -- I'm sorry, I don't remember the name -- from Island Beach State Park who said this is not necessary because there are no houses there. And then you hear stories about protecting the birds. But quite frankly, even though there are no houses, when that water comes across from the ocean right through the breaches into the Bay, it ends up at the other side of the Bay. And water also from, actually, upstream also pours into Barnegat Bay. So that has to be done.

Another thing I've observed is the zoning categories should still be worked on further. They should be reconsidered. I understand from some of my neighbors there were homes that had four or five feet of water, and their houses had to be gutted. And they are in a less stringent -- this is after the new zoning maps have come out -- in a less stringent requirement than people who had, essentially, no flooding on their first floor, and the only thing that was flooded was their crawl space. So there seems to be still a lot of work to be done to make those particular maps reflect the accuracy of the situation.

Also concerning the grants -- there is little progress with some of the grants. We had applied for two. One we had to appeal because they said we didn't have the 8,000. And at the outset I had said, "Do you need evidence, do you need receipts?" "No, we don't need receipts." So then we finally did get back two letters last week, and they said, "Now your appeal is granted." And in another letter for a different grant, "You've been accepted, but now there is no more money." And what is particularly upsetting is when they said, "Should there be more money, your eligibility will be determined by randomization." Now, I don't know exactly what method they use. I have this visualization that it's like a little lottery ball in one of those little plastic things that goes round and round. I'm not sure how the randomization would be done. So that was a little upsetting.

Then there is a grant for raising one's home -- the \$30,000. And I know this comes from HUD, but I just thought I would mention it anyway -- that there is a \$50,000 forgivable grant for low-income families if they purchase a home -- which is fine -- you know, purchase a home in Ocean County in areas affected by the storm, again promising that they

would live a certain amount of years there. That's all well and good, but there are still many people in our area who have no homes habitable as of yet, and they've had to pay rent. And perhaps the maximum for raising their house would be \$30,000. And yet, for a new home buyer, it would be a \$50,000 forgivable fee -- not fee, grant. (applause) So I just think there should be a priority along that -- concerning that.

In another area, there was a boardwalk fire, as you know, in Seaside Park -- a very serious one. And if I'm understanding this correctly, moneys that were available -- many of these moneys are going to help the businessmen who had -- the vendors who had the stands on the boardwalk and the businesses surrounding. And while I certainly understand that-- I live not far from there and I enjoy going there. Still, once again, there are residents who haven't been able to get back into their homes. And while we all hope the businesses had fire insurance -- and hopefully that was the case -- I think the priority would be for the residents. And that's just my own opinion. (applause)

And concerning the expected high flood insurance-- You all heard much about it. We all know how high this insurance may go for those of us who have mortgages. What will happen if those insurance rates are allowed to continue to prevail and to actually be implemented? Our homes along the New Jersey shore will be, ultimately, a playground for the rich because they can always afford it; for the very poor, because we do have some poor residents living in the Seaside Heights area -- Section 8. But those people of moderate income -- and may I point out to you that some of you may not know that many, many people, particularly in my area, are senior citizens who sold their homes up north, living out a dream to come

and stay permanently -- and my husband and I are included in that -- in a place they love, and even those people who had to have a secondary home who enjoy going there -- are put in a position where either they cannot afford to keep the home they now have if the money for the raising of the house, which is extremely difficult-- In my case, I may have to raise it, and then it will go in a new wind zone, which would mean I would have to take off the boards of my house, strap the roof down, put in other beams, and you're looking at, I've been told, \$80,000 to \$100,000. So many of your retirees will not be able to stay there, and those who love the shore area will not be able to stay there and keep their secondary homes because of the lack of money and the absolutely outrageous high insurance rates.

So none of us want to leave. We all want to stay. And we would appreciate this committee conveying all of my thoughts.

Thank you. (applause)

SENATOR SMITH: Absolutely.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Our next witness is Diane Mazzacca, from Beach Haven West.

Ms. Mazzacca, if you would move those two microphones together a little closer to the center, that would be great.

D I A N E M A Z Z A C C A: Hi.

I know one of the last statements this woman just made was about the flood insurance. I got slammed with flood insurance. I received a letter, I guess it was March 22, from my flood insurer saying that they were going to reevaluate my flood insurance. I got my dec page in the mail, I guess it was, right before the flood insurance was due. It was the same

amount that I have been paying -- \$595. I am not by water. I'm across the street from water, I have water behind me. Never once was my house flooded and/or water leached into my area at all. The house was built in 1983 and has never had a flood issue or claim.

So with that I figured, "Well, they'll reevaluate it. No biggie." Wells Fargo, who owns my house technically, sent me a letter saying that they need to see my flood insurance policy to make sure that I have flood insurance. I sent it out on 5/4, making sure that everything was paid for -- my mortgage company -- I did pay my flood insurance. I'm up-to-date, so I think.

Then on June 5 -- this is well after my flood insurance policy was paid for by the amount that they asked for -- they tell me that my house is no longer insured for the amount I just paid. To me this is extortion and I have an issue with it. They're telling me that instead of my house being covered for \$250,000 -- which I applied for and have had for years -- it's now only covered for \$10,300. The contents of my house, which were covered for \$14,000 -- and I have been paying for that \$14,000 -- are now only covered for \$1,500, which means, God forbid, I should have an issue, I walk away. I'd have to give my keys to the -- my mortgage company because I'm done.

That means I go from \$595 per year up to \$5,087 per year. Oh, wait, let me back track just one minute. When they gave me this bill, along with this bill I was supposed to pay them -- \$442 to update my contents and my building -- I had 30 days to come up with the amount they asked for. With that, I'm putting together my house. Everybody here has been putting together their homes. Our money is tied up trying to get back

in our homes, fighting with the insurance companies, fighting with FEMA, fighting with the townships. I have been hospitalized twice due to stress-related high blood pressure. Not only that, right after this letter arrived in my home, my husband was put in the hospital for a heart attack. We are done. We are up to our limits. I have written Governor Christie, I have actually filed a complaint with the State's insurance commission. All they did was forward my wonderful little letter over to my insurance company. Oh, that's going to help. It did nothing. As of August 8, the only reply I got from anybody was saying, yes, I did pay the premium of \$595, and my building is covered for \$10,300 and my contents for \$1,500. They did absolutely nothing to help. Nobody has done anything to help.

I am here to find out what you guys can do to help the rest of us in this situation. I cannot afford to sit and keep pouring out money to go nowhere. So you have to help, otherwise I'm turning my keys over.
(applause)

ASSEMBLYWOMAN SPENCER: Senator Beck.

MS. MAZZACCA: I do have one comment. I know, I forgot it. I'm sorry.

ASSEMBLYWOMAN SPENCER: Certainly, go ahead.

MS. MAZZACCA: The insurance company, through me being a pain trying to find out how they can possibly raise us this much, informed me that I have, now, a basement. I had no idea what that meant because I went for a new evaluation on my flood evaluation. I went for a recertificate. And because the flood waters came from the front of my house through the back of my house -- underneath my crawl space -- and I do have pictures, by the way -- it took the sand which we are sitting on and pushed it out to our

backyard. So I now have a basement because it's below grade level. And they have the audacity to think that that's my basement.

That's it; I'm done.

ASSEMBLYWOMAN SPENCER: Thank you.

Senator Beck.

SENATOR BECK: So, do you have to elevate?

MS. MAZZACCA: Well, here is the thing. I didn't want to elevate. I have an extremely physical job. I plan on retiring in this home. I didn't want to elevate because climbing up a set of stairs as you get older is not exactly the easiest thing. So now you're telling me as I'm getting older and thinking about retiring, I'm not going to be allowed to retire in my home because now I have to climb up a set of exterior steps. And I have to tell you, I'm not exactly the most graceful human being. I'm planning that -- I see this. If I ever get the chance to stay in this home, I'm going to take a nosedive down a flight of stairs. So then what?

SENATOR BECK: So if you don't elevate two feet above the base flood elevation level, then you do pay the higher premium.

MS. MAZZACCA: Correct.

SENATOR BECK: My husband is raising his house 16 feet. And if he doesn't raise it 16 feet, it's almost \$18,000 in flood insurance.

MS. MAZZACCA: Correct.

SENATOR BECK: So he's raising it 16 feet. I'm not a spring chicken. I'm 46 and he's 53. And I think that is a Federal requirement. And the Biggert-Waters law that was put in place that is going to raise the premiums if you don't elevate-- You don't have to elevate, but if you don't,

you're going to pay the \$5,087. If you do elevate, you'll go back to paying the \$595, which is--

MS. MAZZACCA: Now I have to elevate, so I'm stuck between a rock and a hard place. But as it stands, my house is not elevated at this point because I'm trying to figure out how on earth this is going to work. Because not only did I have to pay to have my house fixed and put back together so I could actually live in it, now I have to find the funds to raise the house. Yes, I have an ICC clause in my insurance policy, but as you know, who is going to lift my house and put the stairs in for \$30,000? It's not going to happen. So you're going to need--

SENATOR BECK: Did you also apply for the Hazardous Mitigation Grant Program?

MS. MAZZACCA: I applied for everything known to man, and I have to tell you, I got no response from most of them. The H -- whatever it is.

SENATOR BECK: The HMGP program provides up to another \$30,000 on top of the \$30,000 for ICC, but they just started sending out letters in October. So that's just--

MS. MAZZACCA: I just got my letter, but they don't--

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's reimbursable.

SENATOR BECK: Yes, you have to front the money.

MS. MAZZACCA: You have to come up with the money ahead of time.

SENATOR BECK: That also is the Federal. That's not the State, that's the Federal government.

MS. MAZZACCA: But it's not working for those of us who actually--

SENATOR BECK: Oh, I agree. Because we are-- I mean, Ocean and Monmouth are in the same boat. We have Union Beach, Highlands, Keyport, Keansburg, places where people don't have a lot of means. They can't afford to front the money. So I am very aware of that. I've had many conversations. But the Federal government is -- that's their program. Apparently, unfortunately, in New Orleans, a lot of people did get the money and didn't elevate their houses. They bought flat screen TVs.

MS. MAZZACCA: Well, I'm not in the market for a flat screen TV. I want my home. I definitely want my home.

UNIDENTIFIED SPEAKER FROM AUDIENCE:
(indiscernible)

ASSEMBLYWOMAN SPENCER: Excuse me. It's important that we maintain a transcript of this proceeding. So while we appreciate the comments and sentiments that are coming from the audience, it's important that you keep it down a little, so that way we have a clear transcript at the end of the hearing.

Thank you.

SENATOR SMITH: By the way, I think that another comment is appropriate. This is a function of being in the Legislature too long. I was there for flood Floyd. And in flood Floyd, we handled it a totally different way. In flood Floyd, while there were whatever Federal programs available offered to citizens, the State of New Jersey, for the first time in its history, decided that it would get into the catastrophic relief

effort. So we sponsored legislation to use \$100 million of the State's money to help people out.

One of the -- and this is after four hearings -- one of the things we really dropped the ball on in this state -- we relied 100 percent on the Federal government, and the Federal government has its own rules and regulations -- I don't want to say the word (indiscernible) -- but they have their own rules and regulations with one size fitting everybody, and they don't. And as a result, when we have cases like yours and other people's we've heard in the three other hearings, we have no State resource. And I think that's one of the biggest errors we've made. Senator Whelan -- who serves on this Committee -- put forward a bill to set aside \$100 million of State funds so that we would have that kind of flexibility. That's one of the things that I think we as the two committees need to think about. Because as long as we're living by Federal rules, and Federal rules only, the piper is calling the tune, and the tune is not necessarily a good New Jersey tune.

MS. MAZZACCA: Well, I do have a question then, because for me being a business owner, I cannot charge somebody one fee for the price-- If I'm decorating somebody's home, and I'm charging them \$595 to do the job, and then after the job -- and I'm doing it, and then I say, "By the way, you owe me another \$5,000--" I can't do that. Why is it that they are allowed to do this?

SENATOR SMITH: Well, number one, it's Federal rules setting the rules and regulations. For example, if we had our own resources, the problem that you just mentioned, which is that you could go forward with raising, but you have to advance your own \$30,000-- Why couldn't

we, as the State of New Jersey, lend you the \$30,000 and then get the reimbursement back to us?

MS. MAZZACCA: If you could do that, I would give you a big, wet kiss. (laughter)

SENATOR SMITH: Well, my wife is not present. I think she'd object. But I think at the end of these four hearings, we're going to come up with recommendations to the rest of the government. And one of the recommendations I think we all have to seriously think about is: Is New Jersey getting into the game? We did it in flood Floyd, and it accelerated the recovery in flood Floyd. This time around we've done nothing for New Jersey citizens. We rely on the largess of the Federal government, and that is a fatal mistake.

MS. MAZZACCA: I agree.

ASSEMBLYWOMAN SPENCER: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: Just listening to your testimony, it's very compelling, very frustrating, and I really commend you for your composure. I have a question. With the insurance that you're talking about -- the flood insurance -- is that Federal -- that's commercial?

MS. MAZZACCA: Well, it's for my home. It's not commercial.

ASSEMBLYMAN WOLFE: Would you mind saying -- since you've indicated you're kind of on-- You've had a lot of issues with your company. What company are we talking about?

MS. MAZZACCA: American Bankers Insurance.

ASSEMBLYMAN WOLFE: And do you have a local broker?

MS. MAZZACCA: Yes, I do; Anderson Agency.

ASSEMBLYMAN WOLFE: And are they able to assist you? What do they do?

MS. MAZZACCA: Not very much of anything. They actually sent out an insurance inspector. It has everything to do with them, because they're run through the Federal government and they can do whatever they want. And I'm having a problem with that.

ASSEMBLYMAN WOLFE: The reason I'm asking is that I know initially the banking commission did have a list of companies that were complying -- were assisting their clients. And I don't know where yours was. We can certainly look at that and try to help you out if we can.

ASSEMBLYWOMAN SPENCER: Thank you.

MS. MAZZACCA: Thank you.

ASSEMBLYWOMAN SPENCER: Next up, Karen Hopson, Seaside Heights.

KAREN HOPSON: Hi, thank you.

I'm Karen Hopson. I actually live on Pelican Island, Toms River Township. I'm here representing my family.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear.

SENATOR SMITH: Move the microphones a little closer.

MS. HOPSON: My name is Karen Hopson. I actually live in Toms River Township, on Pelican Island. The mailing address over there is Seaside Heights.

I'm here representing my family. My primary home is on Pelican Island. My mother-in-law, who sadly passed away without being able to come back home, lived next door to us. My family has lived on

Pelican Island since the '30s. We also have a commercial boardwalk property in Seaside Heights, but it's on the northern end. And we have not recovered from the storm. We have done everything we feel is right through the years. We paid our insurance. We had insurance at the time of the storm. We had flood insurance on each property except for my mother-in-law's house. We received a fraction of the amount of our damages. But I believe the insurance companies were fair. The inspection process was very difficult because of the limited access in both the Seaside and Pelican Island locations. So there were many delays.

Our family hemorrhaged money because, as you can imagine, our taxes are very high. My mother-in-law was on Social Security. And we are not-- We may own property because our family has been in Ocean County for a long time, but we are a middle-income family. My husband is a mason contractor and I'm a school teacher, and we have a young son. This has been very traumatic for us.

I was ill. I heard the last speaker. I was ill from a stress-related -- from all the stress. And there are some things I can't speak of. But I was on a-- I had to take a leave of absence from my job; and most of my husband's work was on the beach, so he did not go back to work until May. So I am just here to speak up for my family and the others like us.

We would like to see more transparency in the money that is being spent. We hear of the money being spent for recovery. I know the boardwalk business is important, but I think the families are important too.
(applause)

SENATOR SMITH: Thank you very much.

MS. HOPSON: Thank you, sir.

SENATOR SMITH: Our next witness is Lauren Townsend, from Bradley Beach, New Jersey.

LAUREN TOWNSEND: Good afternoon.

SENATOR SMITH: Good afternoon.

MS. TOWNSEND: My name is Lauren Townsend, and I am the New Jersey Director of US Strong. I live in Bradley Beach, New Jersey, and I've spoken before a number of you folks before during the summer.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: Louder.

SENATOR SMITH: Move the microphones closer.

UNIDENTIFIED SPEAKER FROM AUDIENCE: We can't hear.

MS. TOWNSEND: Excuse me.

My name is Lauren Townsend, and I'm with US Strong. We're a nonpartisan initiative, that has been working with thousands of New Jerseyans, focused on protecting communities from extreme weather in New Jersey and across the country -- because it's a national issue.

I have distributed an executive summary to all of you. It's a report that we worked on for four months. It's a report called "*Extreme Weather, Extreme Costs: The True Financial Impact of Hurricane (sic) Sandy on New Jersey Homeowners, Businesses, and Municipalities*". We released it two weeks ago, and key findings of the report include something that many of us know already. The cost of Sandy has exceeded \$70 billion, and more than half of that is attributed to New Jersey, the hardest hit state. New Jerseyans are going to have to find a way to pay for an estimated \$8 billion to \$13 billion in expenses that won't be covered by the Federal or State assistance.

New Jersey officials talk about an \$8 billion to \$13 billion estimate of unmet needs. That's woefully low. As our report details, we can expect that shortfall to rise, perhaps by billions or tens of billions of dollars in unmet needs.

And what lies beyond the impersonal and huge Sandy storm cost numbers is the fact that -- we've been hearing it today -- pocketbooks are being emptied, hard-earned savings have been swallowed whole, homes have been lost, small business owners' dreams have crumbled, and new debt has been incurred. And it's not some future prediction. It's the reality of extreme weather we're all living with.

Our message is very simple: We can't just talk about the need for emergency relief and storm preparedness. We need a fund that will protect the Jersey shore and other communities across the country. I'm thinking about Colorado right now and all the devastation that happened recently and continues.

The Sandy Task Force issued a very thoughtful report with 69 recommendations on how we should rebuild and prepare for the next storm, but not one of those recommendations calls for new revenue to fund the billions of dollars of needs that have been identified. So US Strong is calling for Federal action on extreme weather. A dedicated Federal extreme weather relief and protection fund that you can't play politics with, a fund that would support emergency response and help communities to prepare for extreme weather; a dedicated fund, reminiscent of the Highway Trust Fund, that would support emergency response and help communities prepare and get resources quickly after extreme weather disasters. It shouldn't burden working families and businesses with increased property

taxes; income, sales, corporate business taxes. And we shouldn't rely on deficit spending. Instead, all revenue streams should be considered, including putting a financial cost on carbon pollution into the atmosphere that is fueling more extreme weather.

So we are asking members of these two distinguished committees and the State Legislature to join us in calling for Federal legislators to set up and provide much-needed leadership on responding to extreme weather and protecting our and other communities. The scientific research is clear: Climate change is real, it's increasing in magnitude, and likelihood of more extreme weather is something we're living with today. So in order to avoid more extreme stories like what we released two weeks ago, we need to act now. And I'd like to encourage all of you to speak with our congressional elected officials and urge their leadership on this important issue.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Next up is Dr. Vincent Giglio, homeowner, Ortley Beach.
Welcome.

VINCENT J. GIGLIO, Ph.D.: Thank you.

My name is Dr. Vincent Giglio, and I'm a permanent resident of Ortley Beach.

We were displaced by the storm -- my wife and I. And it's been, of course, a year. And during that period of time, we've had a most horrendous experience, starting with the flood insurance as well as homeowners insurance. We're still battling with them. The amounts that

they are offering -- they think that they are still in Louisiana. Our expenses here are extremely high; our taxes here are extremely high.

That was followed by FEMA. FEMA created even an extra burden on us because they consumed huge amounts of our time, taking all kinds of information from us and then telling us that we don't qualify. (applause) We pay taxes that put FEMA programs in place, and yet when we're in need of FEMA money, it's not available to us.

The latest is the elevation grant. We've applied for that. Last week I was told that if we started any procedure in the elevation process, we would not be eligible. I realize that these programs are intended to help; they're not. They are just putting one more obstacle in our way. After a year, for any authors of these grants to expect people to just sit around and do absolutely nothing is absolutely unconscionable.

My neighbors are in very, very similar situations. We need help. We need help in getting the Federal government to understand that it doesn't matter whether you proceed before or after you sign up for the grant, but whether or not the damage was caused by Sandy. That's a much simpler criteria.

Thank you very much. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Tom Sheralis, Toms River, New Jersey.

And let me mention that Senator Greenstein has now joined us.

Give everybody a wave.

Tom Sheralis, from Toms River, are you here? (affirmative response)

T O M S H E R A L I S: My big problem is with the RREM grant.

UNIDENTIFIED SPEAKERS FROM AUDIENCE: We can't hear you.

MR. SHERALIS: I was one of the first ones to apply. I was preliminarily approved, and the grants were-- They were seeing people on weekends, Saturdays and Sundays. Now, I work two seasonal jobs. I have to make all the money I can now to survive over the winter. I can't afford to take a day off now that they've stopped doing it on weekends.

And I've talked to the people. I get bounced from one case manager to another. Nobody seems to know what they're doing. Every two weeks or so-- I have neighbors who have been there six or seven times already. And every time-- Then they get a phone call, "Just stop everything. We're coming out with new paperwork. Forget everything." We have to start all over again.

Now, does anybody really know what they're doing with these grants? (applause)

SENATOR SMITH: Let me try to be helpful -- but not very much so.

During the course of these hearings, we've heard similar complaints from individuals like yourself concerning the RREM grants. So on October 1 we wrote to the Commissioner of Community Affairs and asked him -- that's Mr. Constable -- how many grants have been awarded and what amounts of money, and what are the reasons for denial. Because one of the things that we heard was that there had been 15,000 applicants, only 3,000 were approved. The others who were disapproved never got a reason why. So we asked how much money has been awarded. We got no answer. We can't get them to come to a meeting. We have an OPRA

request in. They're not late in responding to that OPRA request for that information. So if you think you have no information, we have less. We have been raising those questions with the Administration and we can't get an answer. We're being disrespected time after time with these meetings when we invite them in so they can hear you and people like you with their complaints so these programs can be fixed. We can't get an explanation why. But I can tell you we're going to raise as much hell as we can to get these people to do the right thing. (applause)

ASSEMBLYWOMAN SPENCER: Senator Beck.

SENATOR BECK: Certainly, sir, if you want to leave your name and phone number, I'm sure myself, or Assemblyman Wolfe, or one of the folks from Ocean County would be happy to make sure that you get your appointment scheduled. I've been successful at the last couple of hearings helping people.

Frankly, I don't agree with the Chairman's assertion. Every time I call Commissioner Constable, he returns my call and is happy to share information. And I asked him, "As of today, how much money would be given out by the end of the month?" He assured me that there would be at least-- You know, this is a multi-billion dollar program, and the Federal government is overseeing every step of it, including that you have to have an environmental assessment, you have to have a historic assessment, you have to be approved through the processes. So once all of that is done, at the end of this month, they will have given out about \$8 million, and then it will ramp up from that.

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's \$8 million out of \$1.6 billion? That is shameful.

SENATOR BECK: It's a \$600 million program that was ramped up in three months. And we've got HUD breathing down our back every step of the way. We have to meet all of their requirements. So I am frustrated as well. Every day I spend at least half of my day on the phone helping people through the process. The bottom line is, we can help you if you want to leave your name and phone number.

But I did inquire whether or not the Chairman had ever called the Commissioner, and he has not called the Commissioner about any of these issues.

SENATOR SMITH: I put it in writing on three occasions -- e-mail, regular mail. There are ways to talk to people. I don't want to have a hidden conversation where I'm assured that everything is fine. I want him to come to a meeting, hear people, and hear their complaints. What's wrong with them coming here? They've been invited three times.

SENATOR BECK: The information is readily available if you pick up the phone and call him.

ASSEMBLYWOMAN SPENCER: Next up is Michael Mazzucca. My apologies if I'm mispronouncing your last name.

M I C H A E L A. M A Z Z U C C A: No, you're correct, Mike Mazzucca.

Thank you for listening to me today.

ASSEMBLYWOMAN SPENCER: Do me a favor. Make sure you pull the mikes close so the people in the back of the room can hear you.

MR. MAZZUCCA: This one here?

ASSEMBLYWOMAN SPENCER: Both of them. The two you have in front of you are microphones that amplify, the other three are recording, so there is no amplification with them.

MR. MAZZUCCA: Is that good?

ASSEMBLYWOMAN SPENCER: That's perfect. Thank you.

MR. MAZZUCCA: So I spent a good amount of time writing what I was going to say, and at the end of the day, there's just not enough time to afford the rest of these folks the same. So I'm just going to kind of get to the point here.

I appreciate your time coming out to hear us. But for me, I've missed probably 10 or 20 days of work, I've lost one position, and I've spent countless hours on the phone with FEMA, homeowners, and flood.

My question, I guess, is: Why have you not come out to Beach Haven West, Millcreek, and the other towns to really see what's going on? For us to sit here and tell you what's going on is almost comical in a few senses.

But, I mean, my family lost our home. We were completely displaced and still are displaced. We foot everything out of our own pocket so far to this day. We've gotten no help from FEMA. We didn't qualify. We have been denied our claim with homeowners, so that's a joke. And so now we're dealing with Selective Insurance, who is even a bigger joke. Our claim was denied for land subsidence. And they have sat there and told us that our home was not damaged by a flood. As you all have said today, Hurricane Sandy was a flood. Well, how can we have a flood and nobody really be compensated for their flood insurance policies? I've paid my policy for 16 years, and what did I get? I got 20 percent payment on that.

I think that's pretty sad. (applause) I have to say that's a pretty poor return on my investment.

And so now I applied for the grants. Guess what? Low and behold, I don't qualify for those either. Why? Because there was an administrative mishap that put me at the end of the line because some administrative person couldn't connect one Social Security number on one form to a Social Security number on another form. (applause) I mean, it's insane that the bureaucracy and the red tape that's going on is delaying these folks the ability, including myself, to get into a home.

My son lives in New York, my daughter lives in North Carolina, my wife lives in Barnegat, and I stay in a hotel. And our goal is to try to connect at least once a week, let alone be in the same house. We haven't been in our house under one roof in 300-and-some-odd days. And we're hoping to get back into our house. But we can't get any financial help. We're footing this bill by ourselves.

So at the end of the day, we've got to get beyond these 14 steps to get to the RREM. I mean, it's just insane the amount of steps we have to get to. I mean, is there any possibility that those 14 steps that we're going to have to go through are going to be reduced to expedite folks to get financial assistance?

ASSEMBLYWOMAN SPENCER: Right now, sir, the program is closed to new applications. It is where it is, and the State is trying to-- And Senator Beck and Senator Smith are very compassionate people when it comes down to what's happening. And all of us feel the angst that each and every one of you are feeling.

You made a comment earlier about why are we here as opposed to going to other locations. Everybody on this committee, at some point, has visited various areas on the shoreline. I live in Essex County. I don't know if you've been in my county, but my county -- Bergen County -- also suffered damages.

MR. MAZZUCCA: Yes, they did.

ASSEMBLYWOMAN SPENCER: The State has -- DCA has a traveling vehicle -- a mobile unit.

They go out and try to help people. But certainly there is much confusion. And certainly all of us want to minimize the confusion should this ever happen again. We are all working diligently to try and persuade, encourage, and simplify what's happening going forward. Because at this point, 355 (*sic*) days -- and, yes, there have been awards, but people do not have moneys in pocket, people are still living outside of their homes.

MR. MAZZUCCA: Absolutely.

ASSEMBLYWOMAN SPENCER: And at the rate it's going-- Yes, at the end of the month the Commissioner expects that \$8 million will have been disbursed. But at the end of the day, my fear is that when day number 366 comes, that the same 80 percent of New Jerseyans who were disrupted by Hurricane Sandy will still be living outside of their homes. (applause)

MR. MAZZUCCA: Absolutely. And I agree. But here is another question: Why are the insurance companies, the carriers, not being held accountable? And I know what you're going to say -- that they're flood carriers, and that's a Federal program. But those companies have offices here in New Jersey. And why are their licenses not being revoked? Why

are they continuing to be allowed to do business in this state and earn income from us when they've already taken our premiums? (applause) That's my question.

I have Eileen Egan (phonetic spelling), Christopher Bartolota (phonetic spelling), Stacy Masuta (phonetic spelling), Sean Conner (phonetic spelling), Toni Marie Angelini (phonetic spelling), Melissa Anderson (phonetic spelling)-- I've spoken to the Governor, I've spoken to almost every person I could possibly get in touch with and I can't even get help. It's just insane. It's absurd.

ASSEMBLYWOMAN SPENCER: Again, your frustrations are felt by each and every one of us. And I know that Commissioner Kobylowski, from DOBI, has been working hard. And where the State has been able to facilitate discussions with insurance companies on matters that they have jurisdiction over, I know that they have been doing that. But when it comes down to the flood insurance, it's out of our backyard. And I'm sorry that it is, because Senator Smith said it best, New Jersey needs to-- We, as a state, need to make sure that we can take care of our own and not march to the beat of somebody else. And right now we are following Federal guidelines, HUD guidelines, to disburse money that affects the people who live in this state.

We, as legislators, have to take a stand, and through these hearings, that's what we're going to do. So understand that the testimony that you provide here today is testimony that we will take with us. And when we get back into session, expect legislation that will help facilitate these types of situations.

MR. MAZZUCCA: I truly hope so.

One last point: My children are 15 and 20. My question is: What are we going to do for the families who have children who are 5 and 6 years old and are in the same situation as me? They have families totally displaced. Those kids are in different schools, they're struggling to figure out how to make ends meet financially. Those kids are going to be in a dysfunctional family until we get them back into their homes. So this isn't something that is going to end once we're all back in a home. You have families that are going to be struggling long-term.

And the question is: Again, we have to find ways to help them. It's not just a house, it's not just a building, it's not just whatever. It's families being restored.

ASSEMBLYWOMAN SPENCER: I think Ms. Hopson said it best. Families are important too.

MR. MAZZUCCA: Far beyond a house. I'll take my family any day over a house. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Assemblyman Barnes.

ASSEMBLYMAN BARNES: Madam Chair, Chairman Smith, one of the things I think people might not realize-- I want to add my name to the list of people you spoke of. I live in Middlesex County. And even though Beach Haven is not in our district, in my district, I'd be more than happy to come down and visit Beach Haven if lending our voice will help you.

What a lot of people don't realize is that other areas of the state have also been affected. My district of northern Middlesex County -- which is right near the Raritan River -- my constituents in East Brunswick

and South River, and the adjoining district -- in Sayreville -- have also been very, very badly affected. So one of the reasons-- And we all understand the frustration.

The first thing I said when we came in today to my colleague Dan Benson is that you people have suffered. We know that. And one of the most efficient ways we're trying to address some of the problems is by having these hearings. And one has occurred in Jersey City. We've had one in Trenton, and now in Toms River. We're trying to understand the impact all across the state. But even though I represent the 18th District, I have no problem going to other districts and learning about what has happened. Because we do have a responsibility not only to our own, but to the state as a whole.

So to the gentleman who just spoke, I'll give you my card today. Maybe at the next hearing you can pull out my card too as a person who at least tried to help you, tried to listen.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: The next witness is Tim Dillingham and Stacy McCormack, from the American Littoral Society.

T I M D I L L I N G H A M: Mr. Chairman, Madam Chairwoman, members of the committee, thank you very much for allowing us to testify.

My name is Tim Dillingham. I'm the Executive Director of the American Littoral Society. We are a coastal conservation organization and may be one of the few environmentalists to come before the environment committees today.

I guess I'd like to just start off by suggesting that for the folks who don't have an opportunity to interact with you all as much as we do,

perhaps the insurance committees of both houses should be here to listen to these stories and listen to these questions.

My organization is based out of Sandy Hook. We work extensively here in Barnegat Bay, we work in South Jersey. We were displaced out of our offices for eight months. I had several of my staff lose their homes. We have tried to be out and working in the community on the piece of this puzzle that relates to the environment in the hopes that, I think, two things: One, in better days we understand how important a clean Barnegat Bay is, how important healthy beaches are to the economy that all these folks depend upon, that the State depends upon. And secondly, out of a recognition that the environment and decisions we make about where we build along the coast, and how we build, and how we rebuild are key to how well we come out of this storm.

I just want to emphasize that part of our goal in the work that we've been doing around the storm has been to lend whatever expertise we have to the idea that we don't want to see this happen again. I've listened to these stories. I understand the pain that these folks are going through. We need to take steps to make sure that we don't do this again. Because as you all know -- because you've put yourselves out there, you've listened to the scientists, you've listened to some of the best minds about weather patterns in the state -- we will have more hurricanes, and those hurricanes will likely get worse as climate change increases sea level rise, increases the frequency and intensity of storms. So as we make decisions that are near and dear to folks in their personal recovery, we also need to look long-term and understand about how the land use decisions we make, how we rebuild the beaches, how we rebuild the marshes influence the vulnerability that

we're going to face, as a state, as communities, as individuals as we continue to live along the coast.

I wanted to introduce Stacy McCormack who has recently come on to our staff. She's the Director of Governmental Relations. She'll be in front of you all. I wanted her to come tonight to hear these stories firsthand, as well.

I will say that in all the information that I've heard you all take testimony from -- from experts throughout the state about weather, about climate change, about sea level rise, what we really haven't heard is a very tough analysis of our land use decisions and how those contributed to making our communities vulnerable; how, in many ways, we put these folks here in harm's way by allowing building in the wrong places, allowing building in the wrong way, and allowing things like the natural wetland systems -- the dunes -- to be destroyed and to not be managed.

So part of our work and our recommendations that we will hopefully be getting forward to you in more detail are about how we can restore those natural resources, how we can make better land use decisions, how we can avoid this moral hazard of telling people where they can build and not build; and how -- only to have them end up at the other end of a storm like this with a nonresponsive government, with mercinistic insurance companies, and have themselves disbursed to the four winds, as the last gentleman just talked about his family being distributed.

I've testified before. You know that we believe we need to reduce the impact to development by being more cognizant, more respectful of the vulnerabilities that come from living along the coast, of moving development back off the edge, of protecting the dune systems, of restoring

the wetlands systems. We need to put more money into open space acquisition in the places that are very vulnerable.

What I haven't heard often is that the places where the shore breached are all well-known, old inlets -- Herring Inlet, Cranberry Inlet -- these are places that, throughout the history of the state, have broken through before. And yet we're rushing back to rebuild. And so while we work to pick people up and put them back on their feet, we shouldn't do that in a way that simply allows them to get knocked down again. Because the process is not going to get easier. And if we think that the Federal government is going to be bringing more money to us next time, or that we are going to find substantial funds to support things at the State level, I think those are misplaced hopes.

I will say that (indiscernible) you have in front of you -- the idea of Open Space funding that has been used in Ocean County effectively-- Ocean County just released their Hazard Mitigation Fund (*sic*) last week. It talks about acquiring lands to reduce exposure to hazards. Clearly that's a strategy we think is important. Protect and rebuild the natural shore lines -- we are doing work trying to figure out ways to soften the edge for that so when the storms do come in, the shorelines are more resilient, they don't cost as much to rebuild. Hopefully folks are set back out of the places that they're likely to suffer harm. But all of that starts with being willing to accept that one, hurricanes are a way of life; and that the way we built in the past is not necessarily the smartest way. So not only do we need to be rebuilding stronger, we need to be rebuilding smarter.

And then lastly, I think the discussion about the failure of all these processes of government to respond to these very real needs that

people have, talks about the need to develop a better framework for making decisions. Clearly this is not working. And I hope that as you get to the bottom of what the root of the problem was, that when it's appropriate why people can't be put back on their feet, that we make changes to ensure that the next time around -- because there will be a next time around -- that we don't face these same problems again.

I thank you very much for your time here, and I thank you for your interest as the environment committees to hear a wide range of issues which are a little far from the environment itself. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, Steve Gwin.

S T E V E G W I N: Good afternoon.

ASSEMBLYWOMAN SPENCER: Good afternoon.

MR. GWIN: My name is Steve Gwin, and I am here today along with my wife Joanne to share our experience of trying to mitigate the results of Hurricane Sandy and the resulting flood which destroyed our home and our lives.

I would like to begin by thanking everyone who has taken the time to attend this meeting to hear from those of us still trying to recover from this terrible ordeal.

My wife and I, finally being able to fly back to New Jersey after being on vacation, were ill-prepared for what we were to experience. Our home in Silverton for the past 20 years had been destroyed.

As the days turned into weeks, and the weeks turned into months, my family and I today are no closer today to even beginning the rebuilding process than we were almost a year ago. Our house, our home,

once filled with laughter and sounds of my grandson learning how to walk and swim in our pool at our home now sits today empty of life, filled only with the pungent smell of mold growing through its framework, uninhabitable.

But before anyone asks, yes, we did everything we were supposed to do. We have a flood insurance policy, we registered with FEMA, we applied for a SBA loan, we tore apart our home, did mold remediation, and threw our lives out on the curb. We began to educate ourselves, often to a point we soon knew more than those we were turning to for direction, assistance, and what the next thing to do was. (applause)

To say the past year has been a living hell for us is an understatement. If being displaced by the flood wasn't enough of an emotional strain, one week after moving into a FEMA supplied hotel room, we were notified we had to leave the next day, only to be notified two weeks later a mistake had been made and we could return. We opted to stay with friends.

The mistakes, the bad or flat out wrong information, and confusion I can understand. People are human and we all make mistakes along the way. But it definitely made a bad situation harder than it already was. To date, the only other assistance we have received from FEMA has been one single check for the amount of \$2,820 for rental assistance, which we received when we were able to move into an apartment. But what I believe stands alone as creating the most emotional duress and biggest obstacle to rebuilding our home is the act of mitigating our flood insurance claim. By definition *mitigation* is the act of making a condition or consequence less severe. But for whom?

When FEMA waived the requirement for a proof-of-loss to be signed after Sandy in order for payment to be made, they sped up the process for the adjusters to close claims, but also gave them free reign to turn in whatever they felt was appropriate. They wrote up their reports, checks were mailed to policyholders, claims closed, the adjusters got paid and then they went home. (applause)

But what if the report was wrong? What if my house, my home, was confused with one of the countless others Selective Insurance was quickly trying to process? Because mine was. Two simple examples being: In the adjusters report, there is a line item calling for the replacement of the bathroom window. There isn't any window in that bathroom. It's in the center of the house. Okay, people make mistakes. But there is also no mention whatsoever of the foundation supporting the front corner of my house sinking. Maybe in his haste to process our claim, he missed the cracks in the sheetrock running up the walls and along the ceiling, which normally would indicate a shift in foundation or framing. But not mentioning a drop in excess of three inches over a 6-foot span in the living room leaves one to wonder what else is wrong with the adjusters report.

Well, it didn't take long to discover. Actually it was the first thing I noticed. The Selective Insurance adjuster used a figure of \$62.51 per square foot to rebuild our home. No one in this room -- actually, no one anywhere in the State of New Jersey can rebuild a house for \$62.51 per square foot. But that statement isn't just my opinion. Two months after we received our claim check, HUD approved the DCA's action plan. In section 4.1.1 of the RREM Program, it states, and I quote, "After the Gulf

Coast disaster, an average cost of \$75 per square foot was used to determine the program allocation. With construction cost on the Jersey coast averaging \$135 per square foot, the State anticipates that this program will assist approximately 6,000 homeowners.”

The difference in that average cost statement is the difference in the adjusters report and what we actually need. The cost to rebuild a 1,600-square-foot house in the State of New Jersey is \$216,000. Selective Insurance claim payment for our house: \$100,022. Because of this improper evaluation and differences of opinion on what to do next, our home has sat for almost a year. Believing the builders and engineers who came to inspect our home informing us that the house sustained too much damage, wasn’t worth the cost of repairing and should be demolished, we reluctantly stopped all efforts to save what was left.

Now due to black mold growing in the master bedroom, the only room upstairs is also destroyed. And while the house continues to decay and fall apart with each passing day, the cost to fix it continues to increase. Sixteen hundred square feet is now 1,900 square feet, with repair costs climbing in excess of \$250,000.

According to our new tax assessment calculated after the Sandy flood, the structure value alone dropped 98.4 percent and sits, today, valued at \$13,900. Could this be considered anything less than a total loss? We are currently still contesting the building valuation report prepared by the insurance adjuster simply because we cannot rebuild our home with the claim check we received. Sadly, I was informed in mid-September by Chief of Staff Christopher Hughes on behalf of Governor Chris Christie that the Department of Banking and Insurance, nor the State of New Jersey, has any

authority or jurisdiction over flood insurance policies or claims. Yet the three inquiries that have been referred to the NFIP with regard to this issue have yet to be acknowledged or replied to, except to assign them a number, which I have included for your reference. It is as if we do not exist on a Federal level.

Just this past week I have been contacted by Congressman Jon Runyan, who expressed a desire to look into this matter immediately on our behalf. But as hopeful as this maybe, it feels like we are starting all over again. And why should we even have to be put through this in the first place? My wife and I applied for and are extremely grateful to be deemed eligible for acceptance into the State's RREM grant program. After a meeting today with the RREM contractor manager, we once again have been told our home is not worth repairing and needs to be demolished and rebuilt. But as grateful as we are to be one of the 3,000-plus homeowners who were selected out of the 12,000-plus who applied, my volunteer work with Northern Ocean County Habitat for Humanity keeps me ever so mindful of those less fortunate than my wife and me.

We shouldn't need RREM grant money to rebuild our home that has once again been deemed a total loss. Farrah Builders gave us a great quote on a brand new house, a house which could have been almost completed by now, had we not been lowballed by the flood insurance claim. But we were, so now we wait. We wait to learn how much money we will actually be eligible for, we wait for other people to make decisions for us with regard to our own home and our own lives. And while we wait for the mitigation process to work itself out, we continue to pay our mortgage, our taxes, our homeowners insurance, our flood insurance, and our day to day

expenses, all on top of the added storage fees and rent for the apartment we have now occupied for the last 10 months -- waiting for answers, waiting for the opportunity to finally rebuild our house, waiting to finally be able to return home.

Thank you for your time and attention. (applause)

SENATOR SMITH: Our next witness is Minister Steven Brigham, from Lakewood Outreach.

ASSEMBLYWOMAN SPENCER: Just have a seat.

MINISTER STEVEN A. BRIGHAM: Good afternoon.

My name is Minister Steven Brigham, from the Lakewood Outreach Ministry Church, in Lakewood. I'm also the coordinator of the homeless program in Lakewood, New Jersey, also known as Tent City.

Before Hurricane Sandy struck the shores of New Jersey, we had a homeless camp in Lakewood of about 80 individuals. Of course it runs the gamut. It's typical of homelessness in the area. But we've got a lot of people in Tent City who had very well-paying jobs before they came to Tent City. We had a woman who was making over \$100,000 in New York City as a textile designer. Her whole industry was exported to countries overseas. She could not find a job in her industry. So we have a lot of people in Tent City who were making a lot of money before the downturn of the economy and before the hurricane struck.

So after the hurricane came -- Sandy struck -- we still are over 80 strong in Tent City. We have about 100 in Tent City right now. Of course the Township of Lakewood is constantly coming down and doing things to harass the community on a regular basis.

I believe it's the cost of living in this area. It takes about \$24 an hour for a single individual to afford the basic standard of living, the basic cost of living in this area -- a one-bedroom apartment, a used automobile, and the basic necessities of life. That's what it takes for a single individual to exist in this area.

So we have a lot of people in Tent City who have been there for a long time who would love a place to live, who would work hard for a place to live. So they don't -- they can't afford that kind of-- They don't have that safety net to fall back on -- that family safety net or other safety net to fall back on, so they're struggling.

Of course, since Sandy -- since the depletion of affordable housing in the area -- has grown since Sandy -- the opportunities and the possibilities of finding those places to live have even diminished all the more so.

I have a son who is 24 years old. He moved into Seaside the fall before the storm. It was a six-month rental. He left in about May of that year before the storm and moved into Lakewood to help his father out with his mission in Lakewood. He had a bottom apartment on Lincoln Avenue there in Seaside. If he had been there during the storm, everything that he had would have been ruined and washed away. Fortunately, he was not in Seaside at the time. But you think of all the people who were there. And all those lower-income rental apartments are gone -- a good percentage of them. And so we're at a deficit here.

I believe what we need in this county and in other counties like this -- close to here -- is more affordable housing. (applause) I'm not a big advocate for subsidized housing. I believe we can create smaller units that

people can afford at low-income jobs -- McDonalds, Wal-Mart, working at a gas station pumping gas. We can create housing for everybody. We have land, we have that possibility-- We have the ability to create affordable housing like they built in the '60s here in the area -- smaller houses on smaller pieces of property that people could afford at a small-wage job. We need that. There is a major deficit or absence of that type of housing in the area. It's not like we don't have the land to make that happen. We can make that happen.

So, again, I believe we can do away with places like Tent City if we have -- if the politicians, the leaders of our community, the leaders of our society have the political will to do the right thing by the poor, and the underprivileged, and the needy, and the homeless, and downtrodden. We can create an atmosphere for housing for everybody.

So, again, I believe there needs to be a major emphasis on that -- creating smaller homes that the young person coming out of college, trying to leave the nest; the small family-- There's a lot of frustration out there right now in new families trying to make ends meet, trying to do the right thing, trying to have the American dream and can't do it because it's not available, it's not being structured by our society. Our government bodies aren't allowing it to happen. And all it takes is the political will.

And so, again, from my perspective as a minister in a homeless camp in Lakewood, New Jersey -- looking at 100 faces every day, trying to keep them fed, trying to keep them warm, trying to keep them sheltered from the rain -- I say somebody has to help, somebody else has to help. Just yesterday the Lakewood Police came down at 11:00 at night and said, "Minister Steve, tell everybody in Tent City they cannot burn their wood

stoves. You cannot burn any wood in Tent City inside or out." And I said, "How are they supposed to stay warm?" And they said, "We really don't care. Either they can afford propane or they go cold." And I'll tell you, from my perspective, this can only come from a person with a cold heart, because these are real people who are trying to stay warm, who want to do the right thing and would do the right thing if they had an economic environment that would allow them to do the right thing.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, Virginia Massa.

VIRGINIA MASSA: Virginia Massa, Ortley Beach.

I'm presently renting in Seaside Heights.

Just as an aside before I talk, the *New York Daily News* interviewed our block. I guess you know, Ortley Beach was one of the most devastated areas. And a reporter came and interviewed our block. There is a whole section -- next Sunday, October 27, in the *Daily News* with our block featured. So one person is in -- two people are in, everyone else is not living there. That's just an aside.

I have a story like everyone else. I don't want to bore you with my story. My house is still standing. I begged the Town to come look at it. They always said I was 44 percent. I begged them, "Please take another look." And the woman who was just a secretary hung up on me. That's the kind of-- There is no one to talk to. Toms River was overwhelmed, they really were, because we were so bad. We didn't get in for a month, remember.

Insurance: I got lowballed as well. The guy was great. He came from Texas. He was really nice. He knew nothing about specs for New Jersey, knew nothing about how much it cost to build a house. So I called him and told him. He said, "Get two contractors." So two contractors write up what it should be. He said, "That won't do. You have to take my papers," which were probably 30 pages, "Go over every item, and have them change this." That means I have to go to two contractors and pay them to go over his specifications of what the house -- what my total was going to be, and then submit it to him.

Well, in the meantime, my husband died, time went by. I said, "I haven't heard from him." And I think it was -- the original check was March or April, something like that. "I better call him." I called him today, he lost those papers. Fortunately, I can submit them again. But that's the kind of thing we're dealing with.

Here's the main reason I want to say this. I want to make sure this doesn't happen. Maybe a month-and-a-half ago, the *Star-Ledger* said -- interviewing particularly in Toms River -- forgive me if this doesn't apply to anyone else -- it might -- officials from Toms River stating, "Don't let them think they're going to sit on this land. We are going to tax vacant land at a higher rate." That's your job. You make sure this doesn't happen. I would love to rebuild. I am waiting for my house to be taken down. I don't know how I got on the bottom of the list. I've already paid \$6,500. It was supposed to be May, June, Labor Day. I called Friday. They didn't even return my call. Even paying for it, they're not taking it down. It's very traumatic for me every time I go back there. I worked it out myself. I can't raise it, I can't afford to build it. It has to come down. So you make sure

that poor people like me who are dying to rebuild -- and have to fight-- I forgot, I'm fighting my homeowners too because they really lowballed me. They said there was wind damage. And what they gave me is an absolute insult. The whole corner of my upstairs bedroom was destroyed. So I'm fighting them. I had to hire a lawyer to fight them. So it's just like everyone said, one thing after another.

Please look into this. Make sure that no town does that -- charge people who are trying to rebuild more taxes for vacant land that they can't help is vacant.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Susan Payne Gato. As I read this -- and I could be reading it wrong -- Ocean County Post Polio Support Group.

Did I read that correctly?

S U S A N P A Y N E G A T O: Yes.

Thank you very much for taking my testimony, and thank you very much for being here, all of you. I really appreciate it in Toms River, where I live.

I just want to say that-- Of course I thank all of the first responders and all the help we were given at the time of that tragic day. My group is made up of people who had polio as children. They have been very successful in their lives. They have contributed a great deal to society. And we have the Americans with Disabilities Act because of many of those polio survivors. One of our polio survivors actually had to crawl upstairs before the Americans with Disabilities Act to go to college, but she did it. She lived here on the Bay in Toms River in her home. She could not walk, she

couldn't hear, and she needed assistance every day. But she could use a computer. She had a lift to take her out of her home into a prepared van where she could go with somebody and take care of things. Mentally, she was completely fine and a wonderful woman. She did everything.

Her home got completely destroyed, her two leg braces washed away in the storm, her personal wheelchair -- electric wheelchair got destroyed, her van got destroyed. She would have evacuated, but she was not given that-- The Town didn't tell her to evacuate definitely. She had the option to evacuate if she wanted to.

There was another one of our members also who lived on the Lagoon. She woke up in the middle of the night and put her feet down. She was in about a foot of water with her two dogs in a crate crying for her.

So as I said, the first responders were great. They got these people out, and they did save them. That was wonderful.

What we are all thinking now is we bought homes that were either low down or easily -- they have to be accessible. And when they said that we had to raise our homes 13 feet, that indicates to anybody who has a difficulty walking -- I wear a brace on my leg myself -- you-- There is no way somebody with a disability -- which is expensive anyway -- can afford to put an elevator in their home, or a lift, or anything. And it's not just people with polio. Anybody could become disabled tomorrow and need these things. So this means that the shore will just be for the rich and people with no disabilities, and I don't think that's the way the world was intended.

We really need your help. There should be something done about the insurance companies. They're just making a ton of money.

Everybody has paid all their insurance. I was flooded too. I mean, it's just-- There is very little money that comes back after all the years you pay. And these people who I spoke about -- they can never go back to their homes.

Thank you for listening. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, Laura Lesko, Lanoka Harbor, New Jersey.

L A U R A L E S K O: Good evening.

Thank you for listening.

I own two homes in Lacey Township.

ASSEMBLYWOMAN SPENCER: Move the mike.

MS. LESKO: I own two homes in Lacey Township; one is my primary residence, and the second is a small, older house about one mile away from my primary residence which I bought for my sister and her children to live in.

Over the years I've invested heavily in both properties to maintain and improve them, including raising my primary house in 2005. Now I'm being told that my home needs to be raised again anywhere from three to six feet based on the updated maps and insurance requirements. Since the hurricane, my sister and her children have been displaced because that house took on about two feet of water. And the flood insurance, so far, has only paid a fraction of what it will cost to repair. It was more than 50 percent damaged. And since the house sits on a slab, it will need to be raised. When I bought the house, it was adjacent to isolated wetlands which were subsequently allowed to be developed by the State DEP. Those wetlands were filled and developed, and now sit substantially higher than my property, which contributed to flooding at that house during the 500-

year storm that we had in 2005 -- 2006, and it certainly did not help during Hurricane Sandy.

The biggest issues I face with regard to recovery are similar to what everyone else faces. There is no source of accurate information regarding flood insurance rates, house raising requirements, or the timing of any possible funding availability. The lack of solid information leaves me in a very difficult position. I don't know what the flood insurance rates will be for my house once Biggert-Waters kicks in fully. I've been told everything from \$6,000 to \$7,000 to \$20,000. I don't know if I will be able to afford to raise my primary residence again. I don't know how high it might need to go. My handicapped mother will have to have a special lift installed at a substantial cost. I don't know if I will be approved for the HMGP, and I've been wait-listed for the RREM program. If I am approved, I don't know if it will be enough to do what needs to be done.

I continue to pay the mortgage, taxes, and insurance on a now vacant, damaged house that my sister and her children were living in. I don't know what the rates will be for that house. I don't know when or if I will get a fair payout from my insurance company for the repairs that are needed, let alone any assistance to raise it adequately. There appears to be no source of help whatsoever for me with regard to this house.

I don't understand why there isn't a source of information that can be trusted. I've spoken to representatives from the State, FEMA, and my insurance company, and have yet to receive a consistent answer regarding anything. I don't understand the delay in the distribution of funding that's been made available to the State to provide relief. It's close

to a year now, and waiting to hear anything at all is frustrating, costly, and unacceptable.

I would like to know where the help is that was promised.

ASSEMBLYMAN McGUCKIN: Madam Chair, a question.

ASSEMBLYWOMAN SPENCER: Certainly, Assemblyman McGuckin.

ASSEMBLYMAN McGUCKIN: Ms. Lesko, you said that you had a primary residence, and then another property which is not your primary residence.

MS. LESKO: That's correct.

ASSEMBLYMAN McGUCKIN: And you're on a wait list for the RREM program for that property?

MS. LESKO: For the primary residence.

ASSEMBLYMAN McGUCKIN: For your primary residence.

MS. LESKO: Yes.

ASSEMBLYMAN McGUCKIN: What about the one that you had purchased for your sister?

MS. LESKO: I really don't qualify for anything for that. I did apply for the Landlord Relief Program for that house. But my understanding is -- and I've heard absolutely nothing back -- if I were to be accepted there, there would be a restriction placed on the house for five years that it would have to be low-income.

ASSEMBLYMAN McGUCKIN: Low- and moderate-income affordable housing -- earmarked for affordable housing.

MS. LESKO: Right. And I don't know if I would be allowed to select my sister. I don't know how that would work.

ASSEMBLYMAN McGUCKIN: You can actually select a tenant if they meet the requirements under that program. So you could, in fact -- if they meet the qualifications -- that is a possibility.

But you talked about: Where do you go? And I think that's the most frustrating thing I've heard from hundreds and hundreds of constituents I've talked to in the past year. Where do you get the answers? Oftentimes I, myself, would receive different answers from different levels of State and Federal government.

I do want to let everyone here know that in the next few days there will be two separate local cabinet meetings here in Ocean County. The first one will be Thursday the 24th. That's this Thursday. That will be at the Point Pleasant Municipal Building. And mobile cabinet will have representatives from each of the State departments that will be affected as part of this process. There will be a second one on Monday, and that's in Brick Township. The first one, again, will be at the Point Pleasant Borough Municipal Building on Bridge Avenue, and that's from 3:00 p.m. to 7:00 p.m. And there will be representatives from the Governor's Office, the Department of Community Affairs, EDA, the Department of Environmental Protection, the Department of Banking and Insurance, the Department of the Treasury, the Department of State, the Department of Human Services, and the Department of Children and Families. And I know everyone has an individual issue, everyone has an individual problem. It's not the same as every other person. Many are similar. But I would urge you to take advantage of that -- the mobile cabinet offices that are available. There will be a second one held on Monday the 28th. That will be in Brick Township. The same representatives from the Governor's cabinet-- That's

at the Civic Plaza, 270 Chambers Bridge Road, Brick, New Jersey. So I would urge anyone who has an individual question or problem that they're having-- I know you may not get the answer that evening or that day, but all I can tell you is that the people who push the hardest are the ones who seem to get somewhere. And it's not the right answer, but hopefully that will help you.

Thank you.

MS. LESKO: Thank you for your time. (applause)

ASSEMBLYWOMAN SPENCER: Thank you, Ms. Lesko.

SENATOR SMITH: Jeff Tittel, New Jersey Sierra Club.

J E F F T I T T E L: I want to thank you for holding this hearing as well as the other hearings you've had.

And the reason is, quite frankly, leadership is not just showing up for a ribbon cutting at a boardwalk, or eating a donut on David Letterman, or even hugging a president. It's what happens on a day-to-day basis to the people in the state, and it's what happens on a day-to-day basis to the people in the areas that have been so devastated by Hurricane Sandy.

And I think what concerns me tonight -- or today -- is that almost a year ago when I first testified at my first hearing, I talked about the Sierra Club's experience in the Gulf Coast and about the frustration and the delay, the stupidity and the arrogance, from multiple layers of government, Federal and state; multiple agencies. And we tried to talk about what we needed to do to make those changes -- so that what happened in the Gulf and in some of the other places wouldn't happen here -- and it didn't happen. And I feel in some ways just as angry and frustrated

as many of the people here, though I haven't been impacted like they have. So their feeling it a lot worse, and their needs are a lot more than mine.

What I wanted to start off and talk about is that as a legislative body, you need to be crafting legislation. We had a package of bills that were talked about back in the spring, and everything has been on hold. Maybe if some of those bills would have gotten passed, we would not be in the same shape we are tonight when we try to put money in place for buyouts, when we try to put money in place to help people rebuild. We put in a bill for transparency that was vetoed by the Governor -- many other things in trying to reform governmental systems.

And I think the biggest and saddest part of all this is that the government agencies that are responsible are not here today. And this is now the second time, and it's wrong -- third time, sorry. And it's one thing for a Senator who works really hard and cares a lot about her constituency -- and I know Senator Beck does -- to be able to get through, but that's not the average person. And not the average person can get to a state senator to make those calls for them. Many state senators do those things, but not everybody knows about it and not everybody can do that. And I think that's what the shame is.

We were listening to some of the problems that people have and some things that Senator Beck had -- one of the reasons that those inspections on the environmental issues take so long is, one, FEMA, and the Federal government, and HUD have rules -- especially because of mold and things have to be checked so you're not putting people into unsafe and unhealthy conditions. But the responsibilities to get it done are State responsibilities under the grants we receive. The State of New Jersey has 40

percent less inspectors than we had four years ago. The number of inspections in this state has dropped by more than 50 percent across the board when it comes to the DEP. The same thing is true in DCA. They're down about 40 percent. So budgets, and retirements, and attrition, and all the other things that have happened have consequences. We do not have the people in this State government -- no matter how many pronouncements you may hear from the DEP Commissioner -- to actually do all the work that needs to be done and to make sure there is proper oversight and proper things getting done.

We also have an administrative-- You hear about the Federal rules. We have Executive Order 2. It says no rules in New Jersey stricter than the Feds. So you have to come up with special reasons to actually adopt rules that are stricter than the Feds. And since that Executive Order has been signed, I have not seen one agency rule in the DEP that's actually stricter than a Federal rule be put forward. I've seen the other way, where rules have been weakened.

We talked about the impact of flooding and the damage here in Ocean County. Well, in the new water quality planning rules, 17,000 acres of environmentally sensitive land -- many of those lands are flood prone and in very flood prone areas -- were put back into sewer service areas that are currently vacant for high-density development. What's going to be the flooding impact of that? What's going to be the environmental impact of that? What's going to happen to the other homes? What's going to happen to Barnegat Bay?

I think the biggest concern that we see and the biggest problem is, a year later we haven't moved the dime where we should be. We're not

as far ahead as we should be. We also aren't fixing many of the mistakes of the past. I mean, Sandy was a tragedy. And what's happening since is, we're making the disaster worse because we're not fixing the problems. We're not retrofitting storm basins and cleaning up our stormwater as we try to rebuild.

When we took -- meaning this Administration -- and the Legislature went along because it's in the budget -- when they took \$900 million out of the Clean Energy Fund to go balance the budget in the last three years-- Well, guess what? How many new washers, and dryers, and refrigerators, and furnaces, and air conditioners can the people who have been impacted by Sandy buy with that money that they can't get out of their insurance companies? How many people who are trying to fix their homes and get back into them would be able to use that money to insulate their homes, to buy new windows to make sure their homes are energy efficient and that they can deal with mold and other problems? But that money is down a black hole called the *budget* somewhere instead of going out to the people. So you hear about the insurance companies not ponying up the money they should be. And I don't understand why the Insurance Commissioner isn't dragging them forward. In fact, the one thing I do respect a lot about our Governor -- when he gets angry, he chews people out. I've seen him do it to people here, people in the media. Why isn't he going after the big insurance companies? (applause) Why isn't he holding them to task like he's done so many other people? Why isn't he down here meeting with the people who have been impacted and saying, "I'm going to cut through that red tape. (applause) I hugged the President, and now I'll kick his butt if they don't fix the damn problems in the state."

But part of the problem is the Administration seems to be more concerned about the photo op than they are about making sure the people here in this room and in this area are taken care of. (applause)

Tomorrow, a bunch of Sierra Club volunteers are going up to Union Beach with Habitat for Humanity to help with the rebuilding. Where is the DCA when it comes to making sure that those consultants who are working for them are sending those checks out and are not dragging people around? Because we've heard horror stories about that. Where is the DCA on fixing our housing rules to make sure we are building affordable housing in this state, which we haven't been doing because we haven't had rules in place for four years? Where is the State of New Jersey when it comes to dealing with climate change and making sure that we start protecting people from future storms and sea level rise? We lost \$120 million because somebody didn't read the damn maps and subway cars got flooded. That's a lot of money. And a lot of people were inconvenienced because they couldn't get to work because those trains weren't running and their jobs -- even when they had their jobs back, they couldn't get in because it was a traffic nightmare.

Environment, sea level rise, and climate change have consequences in our daily lives. It is your job as a Legislature to come up with fixes to make sure we don't go through this nightmare and this hell again for the people in the state, whether it's closing loopholes and making sure that when we rebuild, we rebuild properly and in the right places; whether it's making sure we can rebuild in a more sustainable way by repairing environmental systems like wetlands and dunes; whether it's making sure we're building with green technologies to lower our greenhouse

gases and reduce pollution that causes climate change. We could be building windmills off our coast right now. We've been waiting three years for the rules. We can be putting a lot of the people in the marine trades to work right now building those windmills, and yet those rules have been stuck in BPU for the last three years. And that's thousands of jobs -- not just for the windmill manufacturers, but for all the people who work in the maritime trades in this state who are sitting idle because of what happened with Sandy. We could be putting them to work and bringing that equipment out there, and maintaining that equipment, and servicing it. And we could be making sure that we have clean energy up and down the coast instead of dirty coal coming in from Pennsylvania, and we could protect people against blackouts and brownouts by having that electricity. We could be doing a lot, but we're not doing it. And that's the part that's the most frustrating.

There have been so many broken promises and delays in action. Well, it's a year already. We don't want to be like Biloxi, Mississippi, where, eight years later, 40 percent of the oceanfront lots are still empty. We do not want to be like New Orleans, where half the people are still not back in their city that they love. The Lower 9th Ward is still empty. And by the way, because there are no houses down there, there are no shops and (indiscernible)-- So even the people who have come back -- they can't even go shopping.

We cannot allow what happened in other places to happen. New Jersey demands better, New Jersey is better. The Garden State is a great state, and we all love it. Sometimes we make fun of ourselves when we watch things on TV or whatever, but we all know that the Jersey Shore

is a place we all know and love. Let's get on the ball and let's start getting some stuff done. We've been waiting way too long. (applause)

ASSEMBLYWOMAN SPENCER: Assemblyman McGucken.

ASSEMBLYMAN McGUCKIN: Mr. Tittel, you've gone on for a few minutes here and voiced a lot of concerns about a lot of issues. What is the position of the Sierra Club on allowing residents to rebuild exactly where they were in the same footprint here in Ocean County? Do you agree with that or don't you agree with that?

MR. TITTEL: It depends where.

ASSEMBLYMAN McGUCKIN: So in some cases, you don't believe they should.

MR. TITTEL: What we need to do--

ASSEMBLYMAN McGUCKIN: In some cases, you don't believe they should. It's a simple question.

MR. TITTEL: No, it's not a simple question. Here is the question you should be answering--

ASSEMBLYMAN McGUCKIN: I'll tell you what. I'll decide what questions I'd like to ask. You had a few minutes to speak. (crowd reacts) I would like an answer to my question. Should the residents be permitted to build -- who were damaged in Sandy -- should they be permitted to build on their lots where they were previously, yes or no?

MR. TITTEL: Can I answer this question?

ASSEMBLYWOMAN SPENCER: Yes.

SENATOR SMITH: You can answer the question, and you can answer it any way you want. You don't have to say yes or no.

MR. TITTEL: First and foremost, what's missing out of this whole dialogue is that the State has not done the proper mapping that should be done so we can identify the places where we should automatically rebuild, or the places we should be looking to elevate, or we may need to move people out and buy them out with money so that we can actually restore some areas -- so those areas flood to protect other homes.

What you need to do is have a plan for a coast and then figure out what is the best way to help the people. Because not everybody necessarily wants to rebuild in the same place because they may not want to get flooded again; other people may. And we have to figure out where the place to grow is and how we should grow, and that we do it in a way that protects them from future storms.

ASSEMBLYMAN McGUCKIN: So before we allow them to build, we should have this new plan developed and done before they should be allowed to rebuild?

MR. TITTEL: You've had information and planning in this state for decades. We had an Office of Climate Change, which this Governor eliminated; we had coastal adaptation planning being done by the coastal program which has been eliminated. We know what places -- where the breakthroughs have always happened. Maybe you shouldn't build where there have been breakthroughs. Maybe we should even allow those breakthroughs to flush the bays out. But what we need to do is figure out where the best places to build are, where the places are where we should allow rebuilding to elevate, and where the places are we may need to look to buy people out.

ASSEMBLYMAN McGUCKIN: So residents should not rebuild until all this other stuff gets done. Is that what you're advocating?

MR. TITTEL: Unfortunately, because of the inaction by agencies a year later, those people still haven't rebuilt. Maybe they would have liked some money in the last year to buy out if they really wanted to get out.

ASSEMBLYMAN McGUCKIN: So your process is you believe we should stop rebuilding, go forward -- make these plans and decide -- and select where people can be allowed to rebuild. That's what your suggesting?

MR. TITTEL: We could have actually had all this work done five years ago so we would have known before a storm -- it's called *hazard planning* and *mitigation planning*, and has these things in place. But unfortunately this Administration ended that work. And there was great work being done in Tuckerton, and along the Delaware Bayshore, and other places. To be forewarned is to be forearmed. And unfortunately we disarmed ourselves and now we're paying the price.

ASSEMBLYMAN McGUCKIN: So the answer is: You don't believe these -- all rebuilding should be permitted until that new plan is put in place -- more red tape, more regulations. That's your answer.

ASSEMBLYWOMAN SPENCER: I think that Mr. Tittel has answered the questions. I think that opinions may be formed based on the information he has provided. I think the purpose of us being here today is to take information from individuals who have been impacted by Hurricane Sandy, whether it comes from people like Mr. Tittel or residents in the community, so that we can build a compilation of information that we can

move forward with to better serve the people in the State of New Jersey.
(applause)

Thank you for your comments.

Next up, Sean Dixon, Clean Ocean Action.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Is the general public going to be allowed to testify or (indiscernible). Because it seems like it's organization after organization who have already testified.

ASSEMBLYWOMAN SPENCER: Sir, we are taking them in random order. There have been some residents who have testified -- Ms. Hopson, Ms. Lesko, and other people. We are taking people in an random order. But certainly, sir, we will make sure that every resident who is here today has an opportunity to testify. We guarantee that.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Thank you.

ASSEMBLYWOMAN SPENCER: Thank you for your patience.

S E A N T. D I X O N, ESQ.: Thank you.

And I will keep it very, very brief. One of the things I wanted to add to the testimony that we've heard already today is to inform -- the way the Legislature moves forward. And our advice from Clean Ocean Action is that we take a look at all those things that we were lacking before the storm. Before the storm we had tens of billions of dollars of wastewater infrastructure, stormwater infrastructure, fire alarm infrastructure, roads, bridges, tunnels, and energy infrastructure that needed help. At the moment, we're starting to -- we're trying to put out these fires, and there are a lot of fires to be put out. But we have to remember that on the back end

we need a plan for ways to address all these failures that were present before the storm.

Infrastructure engineers have issued report after report that we have been failing to even keep things up to code to begin with. Those failures exacerbated a lot of the problems during the flooding and during the storms. New York state has been taking a big stab at trying to fix those problems -- the New York State 2100 report, the Sea Level Rise Task Force, PlaNYC. These are all plans that have attempted to take a look at that gap between what we need and what we have in order to try to make sense of these 30-year plans that are working under 40-year laws, trying to fix 100-year infrastructure systems for the next 100 years. And so we need to move forward as a Legislature and take stock of where we need to go to even address those failures of the past.

With that, I'll keep it short. Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you very much.

SENATOR SMITH: Stephanie Diehl, from Union Beach, New Jersey.

S T E P H A N I E D I E H L: Good afternoon.

I'm Stephanie Diehl, Union Beach.

We were in our house when the water was coming in. And as the water was coming in, the house was swaying back and forth.

We received structural damage -- which we were denied our claim from the flood insurance because there is an exclusion on flood insurance that states, "We do not insure for lost property caused directly by earth movement, even if the earth movement is caused by flood waters." In my opinion, that's not an exclusion, that's a loophole. (applause)

So I argued with the flood adjuster. Then, all of a sudden, I received a report from the engineer that now they're considering it as preexisting damage. My floors are all sloped, the exterior wall is bowed out. If this was preexisting damage, wouldn't that have happened before the storm? It seems like the insurance companies are making any excuse not to pay us.

Being I was getting nowhere, I contacted Senator Menendez's office. I spoke with Catherine Best. The only thing she wanted to help me with was contacting my mortgage company, which is useless if I can't repair my house. So I contacted Assemblyman O'Scanlon's office. I left a message with Shawna (phonetic spelling), never to receive a phone call back. I contacted Senator Kyrillos' office, left a message, and never received a phone call back. I also contacted Congressman Pallone's office. I spoke with Janet Ford, sent her all my information. She said they were writing a letter to the flood insurance and waiting for a response. So for the past five months I called Janet every two days, and she gives me the same answer, "There's no response." I would think that after five months, if you don't get a response, maybe the Congressman could make a phone call. But I guess maybe that's too much to ask.

We applied for the RREM grant and received a letter stating our application was put on a waiting list pending the receipt of additional funding. We also applied for the HMGP grant and received a letter stating the same. Next week is a year. How long are we expected to wait? My house is just sitting there rotting away. I feel like my husband and I are being penalized because we both work for a living, make a decent salary combined. But when we applied for the grants, they never asked us what

our credit card debt was or any other debt we had. Maybe they should have asked that. Maybe it would have been done differently.

Then we get to the boardwalk fire. They're using Sandy relief money. So I contacted Stacy from Governor Christie's office. Stacy explained to me that the money they were using was for leftover Sandy cleanup money that HUD gave them. So she said they asked HUD -- or the Governor asked HUD if the money could be used for the boardwalk to be cleaned up. So why didn't the Governor ask if the money could be used for people like me who were put on the waiting list? (applause) After the boardwalk was fixed the first time -- then they have the fire. Weren't they expected to do an electrical inspection? And if the wiring was under the boardwalk and could not be checked, then the Town should have never, ever given them a permit to open. (applause)

We were awarded the resettlement grant. We were told we could not use it for rebuilding. I don't know if any of you know what you are told you can use it for. They told us we could replace our furniture, clothing, personal belongings, catch up on some bills -- and the best -- take a vacation. (laughter) That is what they told us at the meeting. I don't want a vacation. I want to go home. (applause)

When we went for the resettlement grant, we had to sign a promissory note that we will stay in Monmouth County for the next three years. Well, my husband and I feel that Governor Christie's reason for the promissory note is so he can say, "We didn't leave New Jersey like the people of Louisiana left after Hurricane Katrina." (applause)

Governor Christie used millions of dollars for the "Stronger than the Storm" campaign. Instead, he could have given that money to

homeowners to go back home. (applause) Because of that campaign, people were led to believe that everything was okay in New Jersey when in reality it is not. We also feel that Governor Christie used this natural disaster to further his political career. (applause)

So we get our check for the resettlement. Instead of using the money from the resettlement grant to replace our furniture, our clothes, personal belongings, or even take a vacation-- Do you know how I'm spending the money? To pay my bill to file bankruptcy. (applause)

ASSEMBLYWOMAN SPENCER: Thank you, Ms. Diehl.

Next up, Michelle Sperber, Vice President, Seaside Heights Property Owners Association.

MICHELLE SPERBER: Thank you for the opportunity to--

I'd like to read a letter from the President of our organization, the Seaside Heights Property Association.

ASSEMBLYWOMAN SPENCER: Certainly.

MS. SPERBER: "I regret that I am not able to attend this important meeting tonight because I am having major surgery today in New York City."

I am his Vice President, so I have been asked to read this for him, and I appreciate that.

"As a private individual and President of the Seaside Heights Property Owners, I wish to express my views primarily on the issue of the lack of disaster funding for the second home owners, with the view of trying to find some movement forward that would be helpful to resolve this crisis. I wish to make this letter part of your permanent record.

“Now that the summer is over and post-Sandy business assessment in the newsprint and TV have indicated a sustained broad-based economic decline in the shore economy along the entire Jersey coastline, I would like to make some additional observations with the view of finding a resolution to the lack of funding available to second home owners, and, as well, a greater effort to support primary homeowners effected by this megastorm.

“If the economic decline is viewed merely as an absence of day-tripper dollars to the coastline caused by the weather -- too rainy or too hot and concerns over accommodations -- I would view these reasons as an element, but a limited view of the reality of the fundamental issue driving this situation. I believe that one of the primary lessons Jersey Shore business community and the State of New Jersey tourism can learn from this post-Sandy summer is the realization that second home owners along the coastline, in addition to primary home owners, represent a far more important element in the economic backbone of the shore economy than has been generally perceived.

“Second home owners, their family, and friends not only enjoy their homes during longer periods of the year than generations ago, but they also provide an important source of summer rentals for destination resort visitors. Governor Christie’s ads were effective to encourage return to the coastline, and Federal funding and economic support for the quick revitalization of shore communities and businesses were, for the most part, effective; though not complete or an easy process to go through.

“But, unfortunately, there were a few failures by the business community, Federal, and State agencies to recognize that secondary and

primary home owners are the core economic engine that drives the Jersey Shore business economy, rather than the so-called day-tripper economy, as important as they are.

“While Governor Christie’s ads encouraged people to return to the shore, and moneys were made available for businesses to reopen, no funding was made available to help make second home owners whole. In effect, a fundamental core economic engine driving the shore economy was not recognized or rehabilitated. Too many Jersey Shore communities, in my opinion, are now relying on the mistaken belief that the economy of their town and summer businesses must rely primarily on dollars from day-trippers. Rather, those dollars are the icing on the cake. Certainly many municipalities, if not most, along the coastline derive most of their beach and parking revenue income from short-term visitors. Of that there is no argument, but that is only part of the economy. The beach is the draw for the entire Jersey Shore economy. The core economic engines are the dollars from second home owners and destination vacationers.

“It is no secret that the Jersey Shore is badly overdeveloped, particularly on the barrier islands. There is far more housing available than 40 to 50 years ago. It is also true that this overdevelopment was, in part, driven over many decades by the Federal government’s willingness to provide flood insurance at affordable rates to homeowners, which made mortgages easier to obtain; and also the willingness of too many municipalities to welcome initiatives from developers to build in order to increase their property tax base, and, in some instances, easing zoning and other restrictions in the process.

“Depending on the degree of damage, the failure post-Sandy to quickly or adequately revitalize primary and, particularly, second homes along the Jersey coastline impacted negatively the core economy of affected areas, particularly on barrier islands. Ever-changing and unclear Federal guidelines confused many affected homeowners for many months, regarding rehabilitation, reconstruction, demolition, elevation, and storm mitigation -- and they still do. Insurance companies wishing to minimize their liability interpreted insurance policies to their advantage, leaving homeowners frustrated, either without any funding or minimal funding to rebuild and endless disputes. And certainly FEMA did not make life easy as they too were looking to limit liabilities.

“Many people are also facing sticker shock when it comes to dealing with rebuilding and renovation costs, not to mention procedural problems involved. I would suspect that second home owners represent a significant, if not majority number of owners along the Jersey coastline, and most probably the majority of property owners on barrier islands. Funding available for second home owners, as with the Katrina disaster, is virtually non-existent. But it is the second home owner along the Jersey coastline who is the fundamental economic engine driving the local economy.

“Eight years after Katrina, New Orleans is still only 80 percent recovered. It is still not whole. And based on that experience, and the fact that second home owners were also ignored in the recovery equation, recovery of the business economy along the Jersey coastline will probably be long and slow since most properties along the coastline are owned by average working- and middle-class families.

“It is obvious that limited financial resources property owners need to finance recovery will diminish discretionary spending in the business communities affected. A new model of vacation spending will emerge for many years to come, that is if the Federal government continues in its failure to make some reasonable funding available to assist disaster relief restoration for second home owners.

“The situation was made more acute with the recent guidelines this past spring from Governor Christie’s office regarding availability of Federal funding, “What you need to know about Recovery Assistance for Rental Property Owners and Renters.” According to the Governor’s guidelines, much of this available funding for disaster relief will be going to developers and landlords for low- to moderate-income housing in flood areas. To the extent that funding under this initiative, following fair and reasonable guidelines, available to low- and moderate-income families is wholly proper, I agree -- as long as it does not include funding to areas designated V, A, or Coastal A Zones; and as long as it does not exclude from the equation equal assistance to second home owners.

“The issue is very disturbing given the fact that no similar funding assistance is provided for second home owners in these flood zones. That is inherently discriminatory. Federal and State disaster relief should just be that: disaster relief. Not disaster relief for some and not others. Those impacted by Hurricane Sandy should be treated equally and fairly.

“The bottom line is that the government is totally ignoring the needs of second home owners, but at the same time it is still providing funding to landlord investors renting to low- and moderate-income families at the expense of supporting and helping the legitimate needs of hard-

working second home owners damaged by Superstorm Sandy, the very group that is the economic engine driving local shore community businesses. And this is outrageous.

“Second home owners are being treated in the Sandy disaster recovery effort as second-class citizens. One acknowledges the need to help those less fortunate. That is not the issue. But the less fortunate should no longer be housed anywhere in the United States in high risk V, A, or Coastal A Zones, nor should we be subsidizing developers who promote such development in these areas. That is not rational, nor good public policy.

“Funding currently allocated for rebuilding low- and moderate-income units in the V, A, or Coastal A Zones should be made available instead to second home owners, as a starter. To put this in some kind of context, I would also like to see a detailed accounting of any and all taxpayer costs to evacuate and relocate individuals on any form of public assistance, in housing and motel units, during and after Superstorm Sandy in V, A, and Coastal A Zones along the entire New Jersey coastline.

It is so difficult to understand how our Federal government continues to make available unbelievable amounts of foreign aid of all kinds to so many countries -- even to adversaries -- with far less requirements or accountability. But when it comes to helping our own people in crisis, they do so grudgingly, unfairly, and unequally.

“All my best wishes. And thank you for putting this into the public record, Arthur M. Fierro, President.” (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Danielle R. Vaz, Toms River, New Jersey, Silverton.

Is Ms. Vaz present? (affirmative response)

ASSEMBLYWOMAN SPENCER: Ms. Vaz, do you want to bring your son up? (affirmative response)

D A N I E L L E R. V A Z: Josh, what do you want to tell the nice people?

Good evening.

My name is Danielle Vaz. I live in the Silverton section of Toms River.

J O S H V A Z: Well, we're going to go into the library right now. (laughter)

ASSEMBLYWOMAN SPENCER: Before you begin, Ms. Vaz-- The reason I asked Ms. Vaz to bring her son up is because I had the pleasure of meeting him in the hallway. And at that time he was a little more subdued. (laughter) I suspect he got a little sugar.

What he said to me was, "I want to go home."

MS. VAZ: That's what he's been saying to me for about a year now. We've been displaced out of our home for almost over a year -- it will be a little -- about a year coming up. And as you can see he's a little unruly. He is high-functioning autistic which, if you know anything about them, routine is very big in their lifestyle. This has clearly disrupted his routine.

What I wanted to tell this committee was that every morning I drive into work. I have an hour commute into work. And I hear those commercials, "Stronger than the Storm." And I don't feel it. I'm going to be honest with you. It physically makes me sick to hear them (applause)

because being a single mom, I fought -- I've had to make phone calls on lunch hours. I've wasted whole lunch hours, weeks upon end, months upon end for over a year now -- making phone calls to the Governor's Office, making phone calls to insurance companies, to FEMA, to State Senators, to whoever, pretty much, would listen to me and my story. And I'm tired. After a year, I'm tired. I feel like instead of being 36 and a single mom, I'm 76; I really do. I feel like I've aged. And it's just not getting any easier, it's getting harder by the day.

Like I said, listening to that, it makes me physically ill -- that song -- because I don't feel any stronger. And I feel -- as somebody who's-- I'm well-educated. I took a decent job. I do work for the State. But I put in my time, I pay my mortgage, I pay my flood insurance on a house that I'm not living in. I've done it before the storm; I'm continuing to do it now. And I feel that when I needed my government and the people I've elected, they've failed me. (applause)

Thank you.

ASSEMBLYWOMAN SPENCER: Thank you, Ms. Vaz.

Next up, John Sansevere.

J O H N S A N S E V E R E: I'm John Sansevere. My permanent address is 1830 Starboard Court, in Toms River. For the last 356 days I've been very fortunate to live with my niece, her husband, and her two dogs in one room with my wife and my dog.

It took me and my wife 40 years to get the house that we were living in, and we lost it in one day.

There is an old cliché: Unless you walk in my shoes, don't say you understand. (applause) I had four feet of water in my house. Anything

that was four feet and below was gone. Anything that was four feet and above is saved and in storage. I challenge any one of you Senators and Assemblymen to be with my wife and I for one day. When you get done today you'll go home to your nice residences, your families, you'll cook your meal, you'll be fine; I won't.

This was Sunday's *Asbury Park Press*: "Sandy's Ground Zero: Residents, tied up in claims, red tape, face uncertainty about the future." I guess maybe I'm a little bit fortunate. I was able to hire a good attorney. I'm still paying him money to go after the insurance companies. I was just able to start rebuilding last Saturday, and I won't be in my home for at least another 150 to another 180 days.

Bullet point number one: Your Department of Banking and Insurance-- Three complaints about the flood insurance company administrator, three complaints about the hazard insurance which we call homeowners, two complaints about the casualty from automobile insurance -- no response. It's like the complaint went into a gigantic black hole. People have complained about the Commissioner. There is a book out there and I strongly suggest every one of you read the chapter on commissioners of banking and insurance. The title is *What's Wrong with Your Life Insurance?* Your Commissioner, and the commissioners of other states, come from the banking industry or the insurance industry. They're skewed to those companies. They are anti-policyholder. You need to change that. (applause) You need to appoint commissioners who are policy-oriented people, not industry-orientated people. They also have to be made aware that when a complaint is made, a response is required. That is totally disrespectful. You want respect? Give it. Respect is not

something that you get because of a position. You earn it -- has been my philosophy for my life.

The RREM grant: the \$150,000 and the \$10,000. We were denied one and given the smaller one. We've been living in Ocean County since 1972. I told my wife, "When I die, throw me in the lagoon. That will be my resting place." We met all the parameters set up by the grant. We were denied the grant. That is the large grant. I went to the person and said, "Why was I denied?" "We can't tell you, privacy." (laughter) "It's me you're talking about -- me and my wife. What do you mean, privacy?" "Oh, it's privacy. We can't tell you."

Maybe it's because, as some people have said -- you work, you have a job, you really try hard, and you hustle -- maybe that's why you didn't get the grant. But I know people who make a lot more money than my wife and I do, and they got the grant. How are these grants administrated? Why don't we know how they're administrated? (applause)

Another bullet point: Toms River Township Building Department-- I had a local architect, a local engineering firm, and a local builder, and a local attorney. I submitted -- that is, my builder submitted a permit on August 23 -- paperwork. Here it is, October 21, and I have a partial permit. I asked the building director, "What about the 21 days?" "Oh, we don't have to abide by that anymore." The law states 21 days and I get a permit. What is their problem? Maybe the 10th District Assemblymen will find out what their problem is.

It seems like every other day the Building Department comes back with another set of requirements. "Well, it says on your plans, 40-pound dead load, 15-pound live load," but he figured 40 and 10. Give me a

letter. "Oh, it has to be sealed and signed." What is this? Another delay, adding dollars and cost to the building.

FEMA is out of control. I jumped through hoops to get my house demolished by the FEMA program in Toms River. I got them all the paperwork, continued to do everything that they wanted, got it all set up. Erika Stahl, from Toms River -- very nice lady -- given false information by FEMA. "Oh, your house will be down by Memorial Day; July 4th." Late July it came down. Two days before my house was to come down, Erika calls me and says, "Oh, your engineers report is too complicated for the FEMA engineers. Get me a simpler one." What kind of engineers does FEMA have? They must be the bottom of the barrel.

Last bullet point: Why is there so much bureaucracy in the local government, the county government, the State government, and the Federal government? (applause) "Oh, we lost that paperwork; submit it again. Oh, we lost this one; submit it again. Oh, we lost this; submit it again." If business ran that way, they would be out of business. (applause)

UNIDENTIFIED SPEAKER FROM AUDIENCE: No accountability.

MR. SANSEVERE: Thank you.

No accountability because no one wants to step up and say, "I messed up." Fine. Whenever I talk to someone about that I say, "Okay. Why don't we fire somebody and make an example?" "We can't do that."

Today I spent an hour and 20 minutes on the phone with Wells Fargo. And while my house has been destroyed and cleaned, I pay my mortgage, my flood insurance, and my hazard insurance the first of every month. An hour and 20 minutes on the phone to get a simple letter

from Wells Fargo to say that they're holding \$14,000 in escrow so I can get my SBA loan. I find the same bureaucracy from the Township here in Toms River. (applause) Instead of helping us, they're hindering us. They're presenting road blocks in front of us every time. And I firmly believe that with every governmental program there is -- whether it be a State, local, county, or Federal government -- their philosophy is, "Stall, stall, stall and they will be bored and put their own money up, instead of the money that we put them through." As the lady said before, we pour out hundreds of billions of dollars to foreign countries, whether good or bad, but we can't take care of our own.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

John Finn, from Brick, New Jersey.

J O H N F I N N: Thank you.

I have a similar story to everybody else, and I'm not going to bore you with it. We have to knock the house down and build a new one.

I'm on the waiting list for RREM. My questions are all about the RREM program, because I called the DCA a number of times and I get different answers according to who I speak to. So I'm just looking to see-- You guys up there are the ones who are their bosses. You control the purse strings.

SENATOR SMITH: No, we're not.

MR. FINN: You control the purse strings to the DCA when you do your budget.

SENATOR SMITH: No, we don't. Hold on one second. Just so you know, all the way through New Jersey -- four hearings -- everybody is

saying the same thing: unresponsive grant administration. The Federal money is being administered through the Executive Branch of the government, not the Legislature.

MR. FINN: Oh, okay.

SENATOR SMITH: We don't appropriate it. We don't have jurisdiction over it. And we've heard nothing but complaints about the way it's been handled. (applause) We've asked--

MR. FINN: Okay.

SENATOR SMITH: You should know. We've asked the Commissioner, Mr. Constable, to come here three times.

MR. FINN: Well, you have subpoena power over hearings, don't you?

SENATOR SMITH: No, we have to get that. And when the Legislature starts to resume we may ask for that.

MR. FINN: Well, that's an option.

SENATOR SMITH: That all being said, we also asked the Sandy Czar appointed by the Governor, Mr. Ferzan, to be here three times.

MR. FINN: Use your subpoena then; use the State.

SENATOR SMITH: We're going to have to get it. We don't have it.

MR. FINN: Just some quick numbers here: There was -- and if I'm wrong, please let me know -- \$600 million allocated for the RREM program, 3,200 people. That's anywhere between \$450 million and \$480 million. Where is the rest of the money? Where is the other \$130 million or \$150 million? Where is that? I would like some accountability.

SENATOR SMITH: They won't even-- We've asked. We put it in writing. They won't even tell us how much they've awarded.

MR. FINN: Well, that's one of them.

I'm on the waiting list. And I understand there was a randomization process. I'd like to know how that happened. But maybe that will get there eventually. I just want to know where I am on the waiting list. If I'm way in the back, I'm not even going to look for this. I'll just go and try to do it myself. But nobody seems to be able to tell us. I'm just looking for some help, for somebody to say, "This is where you are." Maybe you guys could help.

The other one I know of-- Some of the people who are getting the awards who are turning it back in, who are not taking the full amount, or don't need the full amount, or whatever -- when is that money going to start coming out to the people on the waiting list? Nobody can tell me anything.

SENATOR SMITH: And by the way, another question: Suppose we don't use the money. Do we lose it?

MR. FINN: Well, there are 8,000 people on the waiting list. That's \$1.2 billion.

SENATOR SMITH: I'm talking about the Federal government. Suppose we don't award these grants.

MR. FINN: Oh, I don't know. That's an issue.

SENATOR SMITH: That's a question back to you.

ASSEMBLYWOMAN SPENCER: And you've raised some valid questions. I see that Senator Beck wanted to respond to something.

Senator Beck.

SENATOR BECK: Some of that information is available just by calling -- or at least when I call the--

MR. FINN: I've called.

G E O R G E K A S I M O S: (speaking from audience) Absolutely wrong. We can't get an answer from anybody. Nobody, Senator. You can't get a straight answer from anybody. You have to tell the Governor that the program is broken. That's what you have to do. (applause) This is a Republican county and the Governor is not coming down here. It's broken.

ASSEMBLYWOMAN SPENCER: Mr. Kasimos.

MR. KASIMOS: It's broken. (applause)

SENATOR BECK: So I think I've been pretty respectful, and I would ask the same. I get the frustration. I represent 18 towns in Monmouth County. I have lots of people who are not in their homes, I have plenty of people who are on their fourth rental. My husband lost his business and his home. He's elevating it to 16 feet. I do understand. So, please, I'm trying to answer the question that was asked.

And the answer is: The first round of money was \$600 million. We have a second round. And of that second round, a portion will go back to the RREM program. So the people who are on the waiting list are first in line for the second round of money.

MR. FINN: Got you.

SENATOR BECK: All total -- and we hope, and we believe that there will be a third round of money. The timing of the second round -- at least to the best of the Commissioner's ability to predict that right now

-- because some of that relies on HUD releasing the money -- is December. So the second round-- So HUD would fund us, hopefully, in December.

MR. FINN: Is that in addition to the \$600 million?

SENATOR BECK: Yes, this would be another \$600 million.

MR. FINN: Okay. But out of the \$600 million, only \$450 million to \$480 million has been allocated. Where is the rest of it?

SENATOR BECK: All \$600 million will have to be allocated. So as many people as-- So they will use up the entire \$600 million that was allocated for RREM. They will hand out as many of those grants as they can, as many people as that will fund. And then we get the next--

MR. KASIMOS: Why is it not public?

SENATOR SMITH: One at a time.

ASSEMBLYWOMAN SPENCER: We have to maintain a conversation. You'll have your opportunity to speak. What I ask is that you show respect. We're trying to get through this. And Senator Beck has comments to make, and it's important that her comments are heard just as your comments are heard. So be respectful of all people.

Thank you.

SENATOR BECK: So that's my understanding of how the process is going to work. They tried to make it as-- I mean, I guess we can debate-- I don't know what's fair and what's not. What they did was, they put all the names in a bucket, basically--

MR. FINN: I'm not even disputing that.

SENATOR BECK: --and picked names out. So I don't know.

MR. FINN: I just want to know where I stand on the waiting list, and they can't tell me or won't tell me.

SENATOR BECK: But if you have been approved for RREM--

MR. FINN: I've been approved but on the waiting list.

SENATOR BECK: --and you're on the waiting list, then you are now first in line for the next round of money.

MR. FINN: Actually, there are 8,000 people who are on the waiting list. I could be number 8,000 or I could be number 1. So I just need to know.

SENATOR BECK: Well, I'm happy to take your name and phone number and ask if they actually have put those names in order. My guess is that they will randomize the people on the waiting list the same way--

MR. FINN: They're going to randomize it again?

SENATOR BECK: I think, because it's hard to make that judgement call. That's my guess.

MR. FINN: Okay.

ASSEMBLYWOMAN SPENCER: And, sir, you can always take your question-- I mean, we're going to take your question. But Assemblyman McGuckin indicated that the mobile unit is going to be--

MR. FINN: I'll be there.

ASSEMBLYWOMAN SPENCER: The Administration will be there. Ask the question.

MR. FINN: I'll be there.

ASSEMBLYWOMAN SPENCER: Thank you.

MR. FINN: Thank you very much.

SENATOR BECK: Sure thing.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Mr. Ed Hofmann, from Ocean County.

E D W A R D H O F M A N N: My name is Ed Hofmann. I live on a lagoon here in Toms River.

My concept is very different than anything anyone else has talked about today. As with most of the people who live on the inland lagoons, my home was flooded by a surge, not by waves. There were no waves coming across Barnegat Bay. We were told by FEMA months and months ago that three to four feet of the surge specifically came through the breach in Mantoloking. If the people in Mantoloking had dunes, none of our houses would have been damaged. We would have woken up the next day and looked outside, and there might have been water in the street like a bad nor'easter. And that's what we had with Hurricane Irene -- water in the street like a bad nor'easter.

Now, most of the people in my neighborhood immediately, as the Governor suggested, began to repair their homes. When I say *most*, 50 percent. People made as much improvement as they could, as I did, out-of-pocket. Months went by. I spent my entire life savings to repair my home out-of-pocket when I realized that Toms River is using tax-assessed values to determine substantially damaged homes. Many years ago I filed for a new tax rate. Toms River granted me about half of a decrease of what they should. What I didn't realize was they were going to make my property 95 percent of the value and list my house as 5 percent. They listed my house as a total value of \$35,000. If just my garage had flooded, I would be substantial.

I don't want to raise my house. I don't want one of the companies that RREM are using that are house builders, not house raisers,

to wreck it. Because that's what is happening. Not one of the four established companies before Sandy are being used by the RREM. (applause) I don't want them to wreck my house. It's not completely gutted, it's partially fixed. I don't want to have to raise it. I want to be left alone. I'm stuck with this *substantially damaged* label because they think I'm valued at \$35,000 and my new tax assessment lists my house at \$7,800. I put more than that into the tiles in the bathroom. This is totally unacceptable.

I don't want a grant. I want to be left alone. I own my home. I'd be willing to see the dunes fixed and eventually drop my flood insurance. It's the people in Mantoloking who have ruined our lives because of their greed. Now I'm going to have to move into a trailer for four to six months in the driveway, after I was already in a rental for six months working seven days a week on my house, not knowing that this was going to happen. I would have knocked it down and sold the property for pocket change and moved if I had known how they were going to do this.

On my flood insurance -- the guy who did my work for -- I forget the name of my company, I am so angry -- he listed my house at a value of \$265,000. This is the insurance rep who did my claim. How can I be substantially damaged? I'm \$35,000; and now I'm \$7,800. If we have another nor'easter -- now that these little piles of sand they pushed up on the beach washed away-- Go up on the Lavallette boardwalk. Their pile of sand washed away from that little nor'easter that we had. Those winds were minimal. It was a week long. The winds were minimal. You guys know that. The dunes washed away, the brand new fences they put up broke down, the water rolled across the brand new boardwalk into the

streets from that minor storm. Go through Seaside Heights in your car, because you can look under that brand new boardwalk and still see the waves. They haven't pushed a grain of sand underneath it, everywhere from that stupid house that those kids rented all the way south. (laughter) I never watched the show. Pardon me. There is nothing under it. Every wave can break right into the street. Toms River used IPE wood and built that beautiful boardwalk with no protection. No one can walk on it, no one uses it. It's desolate. But we have that beautiful IPE boardwalk and no dunes, with no grasses, and no protection. Those of us who live here on the mainland in the lagoons realize we're one bad storm away from having it all happen again. We build boardwalks; we don't build dunes. (applause) And those of us who are substantially damaged with tax-assessment value -- it's wrong.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Assemblyman Barnes.

ASSEMBLYMAN BARNES: The gentleman's comments bring to light a problem that we've had in New Jersey for a long time, and that is that what other towns do can affect where you live. And for a long time a lot of people have been calling out for regional zoning and regional planning. And so if Mantoloking wants to do something, they have to take into consideration how it affects you and how it affects your neighbors.

But unfortunately, in New Jersey, a lot of people have resisted the concept of regional planning and zoning because of home rule. Maybe your comments today will help us move in the direction that New Jersey really hasn't had forever, for that matter.

MR. HOFMANN: I think there are so many people who don't want to go up; but they're considered substantial because of how they're doing it. I don't know what other towns are. There are so many of us.

SENATOR SMITH: You need to come to the microphone.

MR. HOFMANN: I'll try to be less vociferous.

There are so many of us. I'm going to use my neighborhood as an example. I have neighbors who are cripples. The wives of these two men have just flat out said, "We're not going to raise our house. I can't push my husband in that wheelchair up a ramp." And the Township is telling them to get an elevator. Really?

I have two neighbors directly across from me who did all their repairs. Then they were told that these tax-assessed values are what was going to be used for the substantial damage and they have to go up. They are going into foreclosure, and they're willing to just lose their credibility, and lose their homes, and just leave. So many of the houses in my neighborhood are still filled with wet carpet, wet furniture, wet drywall, wet insulation, and they're just rotting because these people know they have to raise them and they don't have the money. And when you look at these grants, if you sign on to the second one-- I own my house. I'm willing to see the dunes fixed and just let this go. If I sign on for one of those -- which they changed my name from Hofmann to Homann. I spent three months trying to get someone to go on-- I had it listed that I had to go to eight feet, and I forgot Toms River had a plus-one. I called. It took three weeks for them to address the fact that their computer system couldn't make changes. Finally, after two months -- I was the 230th person to apply for that grant. After two months, someone went in and changed my elevation

requirement from eight to nine feet. That person also decided to change my name to Homann. For the last two months I have been making call after call. I've had ticket after ticket. No one calls me back.

Finally, two-and-a-half weeks ago-- This is literally 16 times that I have called. And these people keep telling me, "You have two days, and we're going to call you back. On the ticket we'll fix your name." The guy called me and said, "I'm going to take care of this right now." "Great." Ten days later I get the letter to Mr. Homann, telling me that I'm on the waiting list. When I called again, the woman I spoke to said, "The odds are that you were put on the waiting list because they don't know who you are." "Well, I'm Mr. Hofmann; I'm not Mr. Homann." And when I spoke to them today, they said, "Chances are there was another person named Homann who didn't really deserve a grant. We know your substantial." In theory I'm, like, 300 percent damaged. But that's ridiculous because of the true value of my home.

If any of this makes sense--

ASSEMBLYMAN BARNES: It does make sense.

MR. HOFMANN: It's something that needs to be changed. I know it would take time. I spoke with Erika. I know how much time it's going to take for the Town to go out and actually look at our homes and do a true evaluation. I understand that. But to take these kinds of numbers--

ASSEMBLYMAN BARNES: Sure. But let me ask you a question. What is wrong with a town like Bay Head or Mantoloking -- to be more aware of an Ortley Beach, Chadwick Beach, and Lavallette, and the towns south of them? Why can't all the towns in southern Monmouth and

within Ocean County be aware of how their actions affect their neighboring towns. That's the point I'm trying to make.

MR. HOFMANN: Absolutely. It's selfishness.

I don't think that the oceanfront homeowners in Mantoloking even realize what happened to us in the back bay. (applause) I would be shocked if any of them drove over the bridge and came up and down our roads after the storm and saw what happened to us. I go through Ortley, and every time I feel guilty about how upset we are with what happened to us. When I drive through Ortley, I realize how much worse it could have been. If my home was in Ortley, and it wasn't structurally damaged, I get it -- we've got to go up. We were not structurally damaged. It's all cosmetic. We had a foot of water. I shouldn't be substantially damaged, and I shouldn't have to go through this. It's just that they're using tax-based assessment values. And I fully understand the complexity of a city this large reevaluating all of the homes. I get it. If anything, now I'm down to \$7,800. You couldn't do my bathroom for that. You couldn't build my-- It's a one-floor home. All of the substantially damaged places in this lagoon area are the one-story homes. It's all one story, and it's wrong.

Thank you.

ASSEMBLYWOMAN SPENCER: Senator Beck.

SENATOR BECK: On the issue of the dunes, there is a billion dollars that is being used by the Army Corps of Engineers to do the beach replenishment. They have started, and they're working their way-- They have divided up the coastline into three different segments. So the ships are out there doing what they're doing. The surfers aren't happy about it, but it's happening. The problem is, they're moving as fast as they can, and

they will get to you. Frankly, I think it's fair to say that the folks up here, including the Governor and everybody else, are in agreement. If people will not give easements, we're going to use eminent domain and do it anyway. So there is going to be beach replenishment that happens up and down this coast and protects everybody, whether those homeowners want it or not. It's coming.

MR. HOFMANN: I think we know that. I think we all also realize that we're lucky as hell we got through this far without a big one. And when I say a *big one*, I don't mean Sandy. I'm talking about a big nor'easter. Every time we had an east driven storm all last winter -- because of all of the debris -- again, this is Mantoloking -- because of all the sand, and the 64 homes, and the 1,400 boats, and all the cars -- every time we had an east driven storm, my neighborhood flooded higher than it ever has in the history of the neighborhood, take away Sandy.

SENATOR SMITH: Mr. Hofmann, a question for you. I'm sure you've talked to the local officials about this, right?

MR. HOFMANN: Basically it's, "What, do you think we can come out and reevaluate the homes of every one of you who were flooded?"

SENATOR SMITH: Well, then here is a free suggestion: In municipal government, there is a process called a *tax appeal*. You fill out a form, you pay \$20. Normally, everyone in the world is going in for a tax appeal to get a lower assessment. You want to do a tax appeal. Go meet with the assessor, explain what your issue is, and ask him for a higher assessment.

MR. HOFMANN: See, another killer with this is the time. The clock is ticking.

SENATOR SMITH: Do it now. Tomorrow, go to your tax assessor and say you want to fill out a tax appeal and you want to--

MR. HOFMANN: I don't really want to spend a lot more taxes when I was out of my house for six months, but I don't want to raise it, so I hear you.

SENATOR SMITH: There are two sides to the issue. If you're trying to get in this situation where you don't have to raise up your house, go to the tax assessor and say, "I want to do a tax appeal." And the tax assessor has the ability to settle tax appeals between the parties, her as the Township and you as the individual. See if it works.

MR. HOFMANN: Good advice.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Next up, Dr. Margaret Quinn, from Toms River.

M A R G A R E T Q U I N N, D.N.P.: Good evening.

ASSEMBLYWOMAN SPENCER: Good evening.

DR. QUINN: I'm Dr. Margaret Quinn. I live in the Silverton Section here in Toms River.

Our home was significantly damaged with over 54 percent damage. Reimbursement from our flood company was not our problem. We had a wonderful adjuster, and Travelers was very fair. We then halted our rebuilding in January as no one could determine what our zone and elevation would be due to the incompetence of FEMA.

My husband and I chose to repair the home at a minimum, to move back after being displaced for six months in an apartment, to await final zoning determinations. We had to move home with subfloors and

sheet rock, and a heating system, and started the process to work with an engineer, knowing we need to lift our home. We are still working on alternate plans and foundation options. My downstairs is at a bare minimum for safe living with our family.

We applied for all of the empty promises offered by the State and Federal offices for the grant money -- the RREM, HMGP, CDBG, the entire alphabet soup. They were originally advertised as first come, first served, and I am sure many of us in here could attest to that. We then found out it was a lottery; and just like the Mega Millions risk, no one truly won. As we have learned, there are over 12,000 applications, and only 3,000 will get the RREM. What about the other 9,000-plus applicants? How will we do this?

The literature states that 70 percent of the funding must go to low-income families. I must ask: How can 70 percent of us be low-income and live not only on the water but here in New Jersey? I understand the elderly on fixed incomes, but who else? This is not New Orleans. The disbursement should be flipped -- 70 percent to moderate-income, 30 percent to low-income. I'm not saying that any of us are millionaires, but the majority of us are middle-class homeowners who work one and two jobs and pay our bills. We pay our mortgages and taxes on time and hold flood and homeowners insurance. We take our kids to activities and shop at the supermarket that has the most on sale. We own our homes. We have owned my home for 22 years and never expected anything from anyone. How can the State offer an additional \$50,000 funding to low-income constituents to buy a home? (applause) Who is at greater risk for default -- a new, low-income homeowner or families like mine that have owned their

homes and established their families in neighborhoods that have been destroyed?

I now must elevate an existing home which is very different than building new. We are trying to retrofit new foundation options on an existing home, and my cost estimates range anywhere from \$91,000 to \$157,000 just to lift my home and build a new foundation. That is in addition to my flood damage. Not everyone has awoken to this realization yet, but we did, and we don't know what to do. I am held to the standard that I must mitigate within four years -- or what will happen? Will I be forced out of my home by the Town or State, or will I have already defaulted on my mortgage and insurance by that time and the bank will have the home?

And, yes, we did apply for the SBA loan with a ridiculous monthly payment which I cannot afford. My SBA rep told me how I should pay my bills at a minimum charge each month so I could then afford their loan. Is that what this is coming to? I was told from a very reliable source at one of the grant offices that the RREM was not a lottery. Applicants were screened as they applied. That can be confirmed as the list of recipients went out on July 1, one day after the grant closed. That is a pretty efficient system for an inept procedure to allocate funds. How could New Jersey DCA involve HGI, an incompetent management agency who handled the Katrina debacle? And all Mr. Constable could say was, "They were the lowest bid." Of course they were. They are getting \$70 million to manage the program. Imagine what \$70 million could do for all of us. (applause) And if you were lucky enough to get the RREM, why are we to use a State-approved contractor? It sounds like someone is getting a favor

somewhere. (applause) And why on the HMGP program is there a lifetime deed restriction on accepting that grant? How is that fair? To get \$30,000 there is a deed restriction. But to get \$150,000 there is none. And lastly, once we apply, we cannot mitigate or we are disqualified. Why is that a criteria?

All of these rules and restrictions are making the rebuilding effort and decisions to keep our homes more difficult, and none of it makes sense. I saw the list attained from the Fair Share Housing Network and reviewed their data. I saw my application number and saw that I did meet all the criteria for this grant. It is heartbreaking to know that there is or was allocated moneys that we are getting (*sic*).

This is not just about me. There was a 237-page, single-spaced, list of applicants not getting the money. I have been wait-listed for both grants and must ask: What am I waiting for? Another storm, a Mega Millions win, or am I waiting to wake up and pretend this never happened to any of us? I like the latter of the options, but this is the new homeowners' reality. I will lift my home and wait to see what the next few months and years bring. I must use my insurance money to do so and not do the needed repairs and replacements for what I have lost. How is this fair, right, and just here in America?

It is a disgrace that Governor Christie, today, stated the building and recovery efforts are amazing. Although I agree a lot has been done, it is amazing as to how much more still needs to be done. He is touting, and I quote, "Billions of dollars in grant money for homeowners and businesses has been allocated and homes are being raised." What is amazing is he has no clue that the homes being raised right now are on the

homeowners' own dime using insurance settlements. It is amazing that \$600 million of grant funding is not going to those who need it. And it is amazing that the Administration is completely clueless and ignorant to all of these issues discussed here today. It will be amazing if most of us can return to our lives the way they were 357 days ago.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you very much.

Jim Fulcomer, from Berkeley Township -- Seaside Park Section of Berkeley Township.

Do you need a minute? I can move on to the next person.

JIM FULCOMER: No, no, I'm coming right up.

First of all, I would like to thank you for letting us--

ASSEMBLYWOMAN SPENCER: First of all, it's important that you're in front of the microphone. Because if you aren't, it's not going to pick up.

MR. FULCOMER: Thank you very much for having this hearing. I really appreciate it.

And I would also like to thank Stop FEMA Now for telling me about it, because they were useful in providing information.

Now, in many ways the aftermath of Superstorm Sandy is worse than the storm. A year later, many people have not been able to rebuild their homes largely due to the slow procedures involved in securing grants and in securing insurance money. Thousands of people who have returned to their homes are faced with the prospect of future confiscatory flood insurance rates if they do not have the money to elevate their homes above new compliance standards.

Governor Christie claimed that if some homeowners failed to elevate their homes in four or five years, their flood insurance would increase to \$30,000 a year. Most of these people are lower middle-class and middle-class people. They can't afford that.

A DEP publication said that if a house is raised to compliance, the flood insurance will be \$7,000 a year. Most of these people cannot afford that. The same publication says that if you raise your house two feet above compliance, the flood insurance per year would be \$3,500. Most of these people cannot afford that.

A FEMA publication gives an example of how a homeowner can save \$95,000 over 10 years in flood insurance by raising his or her home three feet above compliance. Most of these people don't have that surplus income over that time period. So obviously if they can't raise it, they're going to have to leave.

The homeowners of New Jersey have never paid flood insurance even remotely as high as planned by FEMA and the National Flood Insurance Program. The new standards for flood elevation certificates certify the elevation of homes a foot lower, even though the homes have not even sunk an inch. These nightmare insurance scenarios will drive lower middle-class and middle-class families out of our maritime areas if the new standards are allowed to stand. And these are the majority of the people who live there.

So what must be done? What can you do about it? Well, first of all, our State government must use its full power to influence the U.S. Congress to amend the Biggert-Waters Act to restore the grandfather clause and to stop the extreme flood insurance increases. Related to this, you

should go to court to challenge the faulty science that underlies the new FEMA maps. Yes, the State should go to court because most of these people don't have the money to go to court, even to handle their own private case.

Secondly, the State Legislature must adopt legislation requiring dunes along the entire length of the barrier islands -- everywhere including Seaside Heights, including Island Beach State Park. (applause) Specifically, we need to secure easements for the Army Corps of Engineers to build dunes across the entire length of the barrier island -- Army Corps of Engineers, not some little rinky-dink thing called a dune that doesn't do the job. It is far more expensive to elevate homes than to build dunes. And guess what? The Federal government will pay for the dunes. You'll save a lot of money. If the dunes had been in place along the entire length of the barrier island, most of the damage we experienced from Sandy would not have occurred. (applause)

Number three: The State of New Jersey should grant easements to the Army Corps of Engineers to build dunes at Island Beach State Park. Our Governor rightly demands that dunes be built on the oceanside of oceanfront homes by granting easements to the Army Corps of Engineers. But why hasn't the State of New Jersey granted easements at Island Beach State Park? Shouldn't the Governor and the State of New Jersey set an example to the oceanfront homeowners by granting the easements at Island Beach State Park? (applause) The ocean water that crossed Island Beach State Park helped to raise the waters of Barnegat Bay, and was like a huge water cannon that directed water across the Bay to devastate the maritime areas of Bayville, especially Good Luck Point.

Please do not be a hypocrite. Set the same State standards for State property as our State leaders demand for private property owners. (applause)

Four: And some people don't understand this, but I will try to say it in a way that everybody understands. We need State legislation to require higher standards for our stormwater control ordinances. Stormwater detention requirements that we have today were first envisioned as a compromise -- not the full solution, but as a compromise -- to mitigate stormwater generated by new construction during the peak of floods. But under these ordinances we continue to have increased stormwater runoff every year for a given rainfall. One glaring loophole in most of these ordinances is that isolated lots are exempted from water detention requirements. Isolated lots are lots that are not part of a development of multiple homes. You need to eliminate that loophole because in most cases municipalities won't do it. The State has to force it on them.

Downstream areas are suffering increased flooding for a given rainfall every year from this loophole and from deficient stormwater control standards. In my township alone, Berkeley Township, there are hundreds of undeveloped, isolated lots, and that is true of other areas in the Barnegat Bay watershed. And as they are developed, there will be more and more water flooding into the areas -- the maritime areas. And the people will suffer more and more from different rainfalls.

Number five: For three-story homes, which provide a lot of ratables for all of our towns, homeowners need legislative relief from going to zoning boards in order to elevate their homes three or four feet above

compliance to secure reasonable flood insurance rates. They need to be able to elevate their homes as easily as single-story and two story homeowners by simply getting a building permit the same way.

SENATOR SMITH: Done. The law was signed by the Governor. It's my bill.

MR. FULCOMER: Good for you.

SENATOR SMITH: You don't have to go before a planning board or zoning board to get the building permit. (applause)

MR. FULCOMER: Has it been approved?

SENATOR SMITH: Signed.

MR. FULCOMER: So you can go four feet above the 35-foot limit?

SENATOR SMITH: You can go as high as FEMA, DEP standards require for elevation.

MR. FULCOMER: Well, they only require compliance, in which case you pay \$7,000. You want to be able to go four feet above compliance and get a building permit. So there's a defect in the law if that's the way you described it. DEP makes it quite clear. If you want low insurance rates, you have to go three or four feet above compliance.

SENATOR SMITH: Well, then you're done. As long as it's the DEP requirement, you're in.

MR. FULCOMER: No, the DEP requirement is for compliance. If you want lower insurance rates, you have to go at least three feet above compliance. That's the problem. So if somebody has a three-story house, and they're at, let's say, 35 feet in my town, and they raise their house to compliance according to FEMA, they're going to be paying

\$7,000 a year. But if they want to go above compliance, they have to go to the zoning board. Now, it's a one-family house, two-family house, no problem because--

SENATOR SMITH: Take a look at the bill and the law and see if you think it needs to be changed and get back to us.

MR. FULCOMER: Give me a copy.

SENATOR SMITH: Give us a card.

MR. FULCOMER: I'll give you my card, don't worry.

SENATOR SMITH: We'd be happy to do that.

MR. FULCOMER: Before I go I'll hand you my card.

SENATOR SMITH: All right.

MR. FULCOMER: Because it's a problem in a lot of towns.

So, anyway, why should anyone have to spend thousands of dollars extra to go through a zoning board to exercise the same rights as other homeowners.

Six: Instead of spending millions of dollars on TV ads to attract people to Seaside Heights and other boardwalks, that money would better be spent helping more people of Ortley Beach and nearby areas to return home. Their return home would do more to attract people to the boardwalk than the ads that attracted tourists to see that there were virtually no rides. The tourists didn't come back, unlike our barrier island residents who, when they lived there, returned frequently to the boardwalk and provide a better base of customers to the boardwalk. And by the way, once the rides are in place and the word gets around, you don't need ads to get the people there. They know. It gets around very quickly that the rides are in place.

Finally, owners of secondary homes need help. They make up the homeowners in many of our barrier-- They make up the majority of the homeowners in many of our barrier island communities. Without them, our usually prosperous neighborhoods would become permanently depressed areas.

So in closing, I'd say please do not let the aftermath of Sandy continue to be worse than the storm itself.

Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Fred Schaffer, Little Egg Harbor.

F R E D S C H A F F E R: Good evening.

SENATOR SMITH: Good evening.

ASSEMBLYWOMAN SPENCER: Good evening.

MR. SCHAFFER: Thank you for being here, thank you for your patience tonight.

Listening to everybody here tonight, everybody has pretty much one thing in common: the insurance companies and the problems with the insurance companies. Everyone has seen the commercial on TV. Insurance fraud equals prison. Well, we are the victims of insurance fraud. Everyone is going through the same problem.

Mine in particular-- I have a large insurance policy on my home. I've paid my insurance for the past 23 years and never had a claim. I put the claim in for Sandy and get less than 25 percent of my insurance policy. They don't want to know anything. Why aren't the insurance companies held responsible for that? Why do we pay all that money to insurance every year thinking that this is what we're covered for and we get

absolutely nothing in return? They don't want to know your name. So now you're going to say to me, "Talk to the division of Banking and Insurance." Well, I went to a mobile cabinet meeting in Tuckerton. And I sat down with that representative, and I told him what I was there for. I said, "I'm the victim of fraud." He laughed at me. One of your representatives laughed at me. I said, "It's not funny. You're not going through what I'm going through every day. It's not funny." He said, "Okay. Fill out this form. An investigator will get back to you in a week." I never heard from anybody. I called him, and he called me back. He said, "Oh, I was from Banking; I wasn't from Insurance, so I really didn't know what you were talking about. Somebody will get to you." Somebody calls me later on that days and says, "It's not our problem; it's a Federal problem. We can't do anything for you." Then an investigator calls me and says the same thing, "It's not our problem; it's a Federal problem." I called the Attorney General. "It's not our problem; it's a Federal problem."

So who is taking care of all this? We are paying all this money and we get nothing in return. It's fraud. They have to be held accountable for everything that is going on and nothing is being done. And if nobody here -- nobody in government is going to do anything about it, then the people have to do something about it. We have to take charge, and we have to go after them.

Thank you.

ASSEMBLYWOMAN SPENCER: Senator Beck.

SENATOR BECK: The Chairwoman and I have legislation in that would give the State of New Jersey statutory authority over the processing of claims. Because right now they're all right. It's a Federal

agency that administers the program, and the State of New Jersey doesn't have the authority to interfere.

So we do have legislation that will give us the authority, under the Unfair Practices Act, to oversee the processing of claims, making sure that they comply with the policies as they're written; that they comply with the timelines for response that we require under other insurance policies, on and on. And I think we will have bipartisan support for that.

New York state pursued something very similar after Irene and FEMA was very unhappy because FEMA really administers the National Flood Insurance Program. But to me, as I've listened to everybody tonight, one of the things -- even with RREM. People wouldn't need RREM if their flood insurance had done what they were supposed to do. (applause)

MR. SCHAFFER: That's exactly right. Why do I need the Federal money if my insurance company would do what they're supposed to do?

But here is something else that I don't understand. When all this happened, I hired my own adjuster -- my own engineer. He came in and wrote a 10-page report that says that my house is uninhabitable. You can't even go in it. My Town calls my house *substantially damaged* -- "Don't go in it." The RREM contractor comes out and says, "This house has to be knocked down." That's three of them. The insurance company engineer comes out and says, "There is no damage to this house. There is nothing wrong with it." What are you supposed to do? Where are you supposed to go?

SENATOR BECK: We're going through this in Union Beach. Two hundred seventy-three homes have been condemned and need to be

taken down. We have people who are being told by their flood insurer that they should just fix it, and here is \$30,000 to fix an entire house. You're right. The flood insurers -- particularly Selective -- have been a really, really bad actors in all of this.

MR. SCHAFFER: Add Hartford to that collection too.

SENATOR BECK: Yes, and there are others.

SENATOR SMITH: Did you use a public adjuster?

MR. SCHAFFER: I think he's working for the insurance company, because I'm not getting anywhere with the public adjuster.

SENATOR SMITH: You did hire one though?

MR. SCHAFFER: I hired one. I go three months at a time and he won't return my phone calls.

SENATOR SMITH: How about, have you considered litigation? A lot of lawyers will do this on a contingency fee.

MR. SCHAFFER: It's coming to that.

SENATOR SMITH: Apparently they've indicated that you have a loss that is -- some loss that is insured. They're not agreeing on the amount, but they're saying, "We owe you something."

MR. SCHAFFER: Oh, yes.

SENATOR SMITH: So now the fight is: What do they owe you? And that's where--

MR. SCHAFFER: That's it. They're saying, "What we gave you is enough to rebuild this house." They're out of their minds.

SENATOR SMITH: And that's what you have to fight.

MR. SCHAFFER: They're out of their minds.

Thank you for your time.

SENATOR SMITH: Jean Zavadjian.

Jean, would you say your last name? You're from Ortley Beach.

MR. GWIN: (speaking from audience) Can I ask a question?

I know I'm out of turn. It's just something Senator Beck said.

You have legislation in place that you're going to go after control over these claims and policies, if I understood you even remotely close. Is this something that is going to happen and affect us now, or is this for in the future next time we get flooded?

SENATOR BECK: That is up to whether or not we can get the bill to move. And I expect that in light of the bipartisan-- I don't see this as a political issue. I mean, Democrats, Republicans, everyone agrees that this is an abomination -- the way the National Flood Insurance has performed. And we wouldn't actually take over flood insurance. We would just have statutory requirements -- that they respond to you in a timely way, that they uphold the letter of your policy, on, and on. And we would be able to take enforcement action against them if they do not. Right now we can't do any of that. And so you're right. You go to Ken Kobylowski, the Commissioner, and he is like, "I can call them, and try to bring this to their attention, but I have no authority over them." So it's really just based on his relationships and his investigators' relationships to kind of get them to help you. And sometimes they can, but a lot of times they can't.

SENATOR SMITH: They did this in New York state -- put a bill in the legislature. The bill never got passed, but the threat of the bill was enough to get FEMA and the New York state department of insurance to allow the input from -- serious input from New York. I think that's what we're all going to try and accomplish. And at the end of the day, we are

preempted from regulating the Federal government. FEMA is a quasi-organ of the Federal government. So it's going to be-- We're going to all make the attempt. We don't want to get your hopes up high, but we're going to try.

MR. GWIN: And just real quick -- sorry to interrupt everybody else's turn.

I hired a public adjuster. And when FEMA waived the signature from the homeowner from the proof of loss, it took everybody's power away from them. Our public adjuster could do nothing because the claims went in, checks were sent, and they were done. Because if the adjusters had to wait for the homeowner to sign the proof of loss before they got paid, we'd still be having this discussion at the adjusters level. They waived it. They paid the adjuster. Guess what? My adjuster went AWOL. Nobody can even find him anymore. (laughter)

SENATOR SMITH: What it also tells you-- And one of the things that-- There is a lot of frustration, unquestionably, about the National Flood Insurance Program and FEMA. We need to get our congressional representatives into the game to change Federal law. We can do what we can do at the State level, but the Federal law does clearly need to be changed.

Is Jean Zavadjian, from Ortley Beach, here? (no response)

Ginger Harris, Homelessness Ended through Local Partners, are you here? (no response)

Faith Liguori, from Seaside Park, are you here? (no response)

Kathleen Serra, from Lavallette.

KATHLEEN SERRA: Good evening.

I'm Kathleen Serra, from Lavallette. I live on the Bay. I'm one of the lucky ones, because my interior -- the interior of my home was not damaged, just the crawl space, and the garage, and the outside areas.

Almost five years ago now, I rebuilt my home. I rebuilt it two feet above what FEMA instructed people to build their homes to in terms of the height level. And now, of course, I'm below. I'm not in a position to raise my home, and I have no intention of doing that. I really feel that if dunes are in place along the entire 130 miles of coast, the BFEs would logically go down.

And I'm worried that not every town has the same idea. I know that-- I've heard talk that Bay Head has a different idea than does Lavallette, than does Seaside Park -- Seaside Heights, rather. And I was under the impression that everybody had to be on the same page in order for those dunes to go up. But even if that's not the case anymore -- I think it was initially -- what happens if Seaside says, "No, we're not going to put dunes up that are going to blow away the view that people now have as they walk the boards." And Bay Head -- they're talking about some kind of rock wall or something. I'm not really sure anymore at this point. Are there going to be breaches that we're still going to have to deal with? I mean, how come we're not doing anything about getting everybody on the same page? And that goes to also the fact that not every town is on the same page. I believe that there should be a coastal coalition. I think everybody should be working together, because everybody is doing something different. And I don't think that's in the best interest of the New Jersey coastline. So I would like to see a coastal coalition started with everybody that is along the coastline -- every single town in this coastal coalition.

SENATOR SMITH: Kathleen, Assemblyman Barnes has legislation to set up a coastal commission. And as he pointed out in his earlier comments, the biggest push back that he gets is from the local officials who don't want to give up any local land use control.

MS. SERRA: I know that. It's like they all want to be a star or something because they all have better ideas than somebody else. I'm not really sure.

I've also been told, because I asked the Mayor of Lavallette why he is not in a coastal coalition of some sort, and he said, "I go to enough meetings already." So I don't know how you're going to get them to do this unless it's enforceable by law.

But anyway, I'm very concerned about the dune situation, and I'd really like to see that resolved as soon as possible. We've been talking eminent domain for how long and nothing -- it's not happening. We're just being told, "It will, it will, it will." And it's been talked about for a long tie.

The other thing -- and I know it's been discussed -- but I'm very, very concerned about the second home owners. Lavallette has a huge number of second home owners. And without them it's hurting the businesses in town, it's devaluing my property. We need them back. I believe they pay taxes like everybody else, and they should be getting help just like everybody else.

Let's see, I want to talk about the NFIP. When this all began, we read all over the place that the NFIP was bankrupt to the tune of something like \$21 billion due to Katrina. In all of the reading that I've done -- and I've done a lot -- it turns out that FEMA was not bankrupt at all. They had a \$6 billion surplus. But what they do at the end of every

year-- If they have a good year and they're not paying out, whatever is left at the end of the year they return that to the Treasury. That doesn't make any sense to me. If we're paying our money -- our insurance premiums -- into the NFIP, and they happen to have a good year, they can say, "Here you go, Treasury, take this overage. We don't need it." Why aren't they putting that into some sort of growth fund so when something major does happen there is plenty of money there to help people? I mean, it's common sense really. I don't understand what is going on with that. But somebody needs to look into that because I think that's one of the biggest problems we have right now -- is the fact that FEMA is stating that they're underfunded. That's not true. It's so not true. And something needs to be done about that immediately. Someone needs to delve into that situation and fix it.

Let's see, the other thing that's pretty important too is the cost of permits. When people go to raise their homes they're being hit with major fees for permits. Somebody in my town went to raise their small, little cottage -- I call it -- small, little ranch cottage. They got \$15,000 to do it. That's all they got. And it cost them \$3,700 in permits. I think that's outrageous, and I don't think people should have to pay that kind of money for permits when they're raising their home. It's costly enough.

Let's see, also-- I'm sorry, I'm a little disorganized here, but I'm going to get it all out. Another thing with the NFIP is the \$250,000 cap. I mean, if we're paying ridiculous insurance premiums and then they're going to cap us at \$250,000 it's absurd. Why would you even want to have an insurance policy. Quite frankly I don't want to have one for that kind of money. There is no point.

So I think that's another thing. There are no deductibles with the NFIP either. Maybe if there were we could get lower insurance premiums. And so that is something that I think should be looked at.

There are many, many ways of attacking this, but I think it's-- Whoever is deciding upon all of these things is not looking outside of the box. I think there are many, many ways to look at things and resolve things in a way that people are amendable to.

And I guess that's pretty much it because so many other things -- people have brought up everything else that I wanted to talk about.

I appreciate your time. Thank you very much. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: I certainly support your views about the dunes. I think many of us recall back in the early '90s when the Corps of Engineers began the dune restoration projects in New Jersey. They started in Manasquan and went all the way up to Sandy Hook. Then they were supposed to start in Point Pleasant from Manasquan and then move down to Barnegat Bay. But the mayors of the towns in northern Ocean County couldn't agree on what should be done, so they went down to Long Beach Island.

The *Asbury Park Press* recently had -- in the last couple of days -- had the schedule for the dune construction for the next three years, and it has it really laid out. But I recall when that original project was done in Ocean County -- northern Ocean County. Some of the towns didn't even own their own beaches. They were privately owned. Several towns didn't want dunes built because you couldn't see the water.

And I will say as a result of the storm we just had, Seaside Park, on its own, preserved the dunes. They built their dunes. And they had very, very little damage because of that. They did that on their own. They didn't require any Federal help. So in a nutshell I certainly support your position. I'm very confident that in the next two or three years we will have a big dune system the entire length from Monmouth down to the end of Long Beach Island.

MS. SERRA: Well, I'm happy to hear that, and I hope it happens. As you say, it should.

Thank you.

ASSEMBLYWOMAN SPENCER: Thank you very much.

Next up, Bill Wolfe, New Jersey PEER.

BILL WOLFE: Thank you.

Good evening. Thanks for holding this hearing.

My name is Bill Wolfe, Director of New Jersey PEER. I won't repeat my prior testimony. I've attended six Budget and Appropriations Committee hearings on this topic, and this is the third or the fourth that you've done. I congratulate you for your stamina.

Many stories I'm hearing are repeat and were, frankly, predicted, so I won't go down that road again. But I do want to make one public service announcement. Since we're sitting in Ocean County tonight, the Ocean County Office of Emergency Management has issued a draft hazard mitigation plan, and that plan is the only plan so far on the street that has sea level rise in it. And the sea level rise maps are out there now. And I urge the public to strongly look at that because by 2050, at a low end of the projected sea level rise of one foot, huge land areas in Ocean County

are going to be -- not for storm surge, not for waves, and not for nor'easters -- on a daily, permanent basis, inundated. So we are building homes and property now in land area that will be inundated hopefully in my lifetime -- hopefully I'll live that long.

But the point is, we need to take cognizance of the science. And there is a lot of anger and frustration that is blaming government and insurance companies. And surely there is enough blame to go around. But we don't have a grasp, and nobody is stepping up to the plate, to talk about the real science. We can't control what is going on in the natural world. So that's happening. We have to adapt and plan for it. And we're not doing that. We're in complete denial on that topic.

And there was a gentleman here who testified earlier saying, "Had I known that's the way they were going to construct the program, I would have knocked it down and sold the property," and he would have gone into a buyout regime. He didn't understand what was coming. What I'm trying to say is, 95 percent of the people here, from what they're saying, -- and all the government policies and programs that are in place don't understand what is going to happen. And we need to understand what is going to happen and not repeat mistakes that we're currently hearing -- all the frustration, anger, and angst over. And one of the best ways to do that is through Assemblyman Barnes' bill. Put all these issues on the table and have the science drive the discussion.

And just in closing, Rutgers held a climate change conference last week. And at that conference there was a professor who said that the back bays were the Achilles' heel. We could do all the engineering you want on the coast in terms of dunes, but it was not going to deal with the

back bay problem. So the public is not, again, understanding -- with all the focus on the dunes and the shore -- that we have a humongous back bay problem. And that doesn't even talk about the inland river flooding issue that nobody is talking about either.

And the second point is, another professor said -- and he was derogatory to "politicians" -- and his quote was printed in the *Atlantic City Press* -- the Sarah Watson story -- saying that politicians consistently mislead the public by portraying dunes as a silver bullet, and they're not. So we need to kind of come to grips with some of these issues and not lead people down false paths so they make the wrong decisions again, and then they get hammered again, and then they say, "Why?"

Thank you very much.

ASSEMBLYWOMAN SPENCER: Thank you.

Assemblyman Barnes.

ASSEMBLYMAN BARNES: Bill, thank you. You testified before the financial committees as well as the environmental committees in both houses. And I know most of the people here tonight are from probably Monmouth County and Ocean County. And I'm from Middlesex, as I said at the beginning of the meeting. And I recognized that each and every community is unique, and I respect the uniqueness of all the different towns in Ocean County. Like I said, I have been referred to as a Benny or a day-tripper definitely, even though I've been coming down my entire life.

But the thing where -- even though the towns are unique -- as you said yourself so many times, when a catastrophe happens, you're not unique; everybody gets devastated. And what one town does or doesn't do affects everybody else. And that's why I think it's time for New Jersey to

really think about a regional planning concept. Maybe Ocean County is the place to start, or maybe a town like Mantoloking -- maybe they can't do everything they want to do. Maybe they have to think about how it affects Ortley Beach, how it affects Normandy and Seaside.

You've been talking about this for a long time. I'm glad you came up and spoke today.

MR. WOLFE: Thank you. (applause)

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, Debbie Mans, from NY/NJ Baykeeper.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Can we get a question in once and a while for somebody who doesn't want to talk? I just want to ask a question.

ASSEMBLYWOMAN SPENCER: You're going to have to come up. You may not want to talk, but you're going to have to come before the mikes because we won't be able to transcribe it.

UNIDENTIFIED SPEAKER FROM AUDIENCE: If I wanted to get rid of my house that is in a flood zone, can I sell it? Do you guys want to buy it? Can you buy the property from me? I get no answers from anybody else.

SENATOR SMITH: I have an answer.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Okay.

ASSEMBLYWOMAN SPENCER: Could you say your name for the transcript purposes?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Do I have to? I'd rather be a concerned citizen.

ASSEMBLYWOMAN SPENCER: Give us your town at least.

UNIDENTIFIED SPEAKER FROM AUDIENCE: It might incriminate me if I--

ASSEMBLYWOMAN SPENCER: Can I have your town at least?

UNIDENTIFIED SPEAKER FROM AUDIENCE: Mystic Island.

ASSEMBLYWOMAN SPENCER: What town are you from? Where do you live? What town?

UNIDENTIFIED SPEAKER FROM AUDIENCE: My shore house is in Mystic Island. I live in Somerset County.

ASSEMBLYWOMAN SPENCER: Great. Go ahead.

SENATOR SMITH: The answer to the question is: Nobody on this panel is going to buy your house; nobody is going to buy your land. However, one of the things that New Jersey needs to do, which it hasn't done, is to provide a stable source of funding for Open Space acquisition. We just ran out of money. We had the last \$400 million bond issue. Thirteen times this has been on the ballot and approved. We have no more Open Space money left.

The second highest priority in open space acquisition is the acquisition of flood-prone property. Certainly a lot of the land along the Jersey Shore is in that category. We tried, in June, to put it on the ballot for November 5. In order to do that, we need 24 votes in the Senate and we need 48 in the Assembly. We got 22 votes in the Senate. The bill would have dedicated \$200 million a year for the next 30 years for the acquisition of Open Space, which would have, to a large extent, helped us to remodel New Jersey. And it really needs to-- We need-- We're not doing

real Sandy planning unless we're figuring out how to get people and property out of harm's way. That would have provided a fund for people like yourselves, who have property that is clearly in harm's way, to sell to the State of New Jersey and we acquire it for Open Space.

Now, all hope is not lost. I'm hoping that the Assembly will pass the bill by a majority this year. If they do, and next year each house passes it by a majority, it goes on the 2014 ballot.

But the answer is, nobody is going to willingly buy your property. The State of New Jersey should get into this game and get people and property out of harm's way. That's the way to do it.

SENATOR BECK: Can I just add two cents to that?
(affirmative response)

There's a little more to it. Chairman Smith has his perspective, but there is-- There actually is money. There is Blue Acres money that is purchasing homes. But they have prioritized that money, at the moment, for places like Sayreville where they have repeatedly, even without nor'easters and without major storms, flooded, and flooded, and flooded, and flooded. Some of these people who have come to testify at some of our other -- have been flooded six and seven times. So there is Blue Acres money that is out there that is being used to purchase property. We are in the first round of it. The second round of it will be rolled out in the coming months. And I can certainly get your information and provide you with a contact at the Department of Environmental Protection so you can find out the details of that program, and how it works, and how you qualify, and that kind of thing.

UNIDENTIFIED SPEAKER FROM AUDIENCE: I appreciate it, but I have to give a builder the okay if I want him to build my house starting next week. I would rather sell the property and just get out of there.

I was going to retire down there. But then the storm hit. And now I get nothing because I'm a secondary home owner. My wife and I wanted to move down there, and now-- I'm going to give the Township money -- everything by moving there, and paying taxes and everything, but now I get nothing because I'm a secondary home owner.

SENATOR BECK: The current buy-out program is \$300 million, and we expect additional money coming in.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Well, I wouldn't qualify for any of that.

SENATOR SMITH: Timing in life is everything. Your timing is terrible, Sandy's timing is terrible. But what you have to understand is, the money that the good Senator is talking about is a \$300 million slug from the Federal government. And certainly they have been wonderful to deal with in all of this process. But \$300 million barely scratches the surface of the number of property owners who are in harm's way as a result of sea level rise. So the \$300 million, even with another \$300 million, just doesn't do the job. And New Jersey -- we need a stable source of funding so we can do this on a continuous basis.

ASSEMBLYWOMAN SPENCER: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: I actually sponsored the Blue Acres bill years ago. And the intent was for individuals, for municipalities, or counties to sell flood-prone property to the county or to the State to be

used for recreational purposes. That was it. As a result of the storm though, it's not for individual purchases. It's for large, group purchases; for large blocks and blocks.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Well, my place on Mystic Island -- there are a lot of places that are -- nobody is doing anything with.

ASSEMBLYMAN WOLFE: This is out of the hands of the Legislature now. This is really the way it's being done. That's not the way it was intended. It was intended for individuals to be able to sell their property -- for the county to buy property from individuals. So hopefully as a result of our situation now, we'll be able to change that. But it's not going to change--

UNIDENTIFIED SPEAKER FROM AUDIENCE: It's not going to help me. I'm afraid to build there because-- I want to build, but I'm afraid because they might come down six months from now and say, "Okay, everybody has to move out of the area." And then you lose your flood money that you got this time and the last time. So you deduct that from the-- I can put \$250,000 into a new home and only get \$75,000 from the flood people. So I'm really screwed.

ASSEMBLYWOMAN SPENCER: Thank you.

UNIDENTIFIED SPEAKER FROM AUDIENCE: Thank you for letting me interrupt and interjecting.

ASSEMBLYWOMAN SPENCER: Thank you.

Debbie Mans, from NY/NJ Baykeeper.

D E B B I E M A N S: Thanks.

I'll be short.

But just on that, I'm really glad to hear that you support more money for buyouts. Perhaps that should be a priority in the next action plan that goes to HUD for the next round of funding, and that a policy be amended that the Governor and the Administration sets about allowing individual homeowners to move up the cue and qualify for that funding, and open it up for beach communities. Right now it's focused in, as you mentioned, the lower Raritan basin, which is where we work. So we are happy about that, but it's not fair to the rest of the state.

Just briefly, a kind of change of pace-- Two bills that are -- actually exist-- And we're glad to hear that you sound like you have a robust legislative strategy after all these hearings. But in addition to that, we found key problems identified along our industrial or urban coasts that Sandy highlighted -- one, the lack of communication and notification to urban communities about raw sewage and other contamination in their waters. It took four days for the State to notify local communities via a news release that there was raw sewage in the flood waters of the Passaic River and in their basements. And that's unacceptable. So there is a bill -- S-831, A-2852 -- and we thank the sponsors, Assemblywoman Spence and Chairman Smith, for allowing the amendments to make it an even better bill. That's already passed committee. It's waiting for a vote in the Assembly, and then it has to go back through the Senate. And we think that might be an easy lift for you, and that would dramatically increase the notification and communication to impacted communities when there are pathogens and bacteria in their waterways.

The second problem we identified was the lack of Open Space and flood storage areas, especially in our urban areas, to attenuate the

flooding. And this can be in part addressed by authorizing the creation of stormwater utilities. There is, again, a pending bill -- S-1557, A-2641 -- that already passed through the Assembly, out of this Senate Committee, and is sitting in the Senate Appropriations Committee. And that could also help alleviate -- won't solve the problem, but it has a lot of benefits, including reducing stormwater and combined sewer outfalls in urban areas, as well as adding much-needed green space, and reducing the heat (indiscernible) affect in urban areas, as well as addressing the flood storage areas that we desperately need in the urban areas.

SENATOR SMITH: Who are the biggest opponents of the stormwater utility bill?

MS. MANS: Besides yourself?

SENATOR SMITH: No, no, I'm a proponent.

MS. MANS: Oh, opponent.

SENATOR SMITH: It's my bill.

MS. MANS: Opponent.

SENATOR SMITH: Who is the biggest opponent?

MS. MANS: I think people probably view it as a tax.

SENATOR SMITH: We put this bill up in this room four years ago. We had 400 people in the room. The Ocean County Board of Freeholders came here and said, "Don't you even try to pass that bill." The people in the room went absolutely crazy. The resistance comes from here.

MS. MANS: And this bill specifically carves it out for communities that have combined sewers. And I think that's a real loss for the rest of the state. I mean, this is a solution that should be statewide and could really benefit counties like Ocean County.

ASSEMBLYWOMAN SPENCER: Assemblyman Barnes.

ASSEMBLYMAN BARNES: It's ironic because I know that Senator Beck was here, Senator Smith was here, Assemblyman Wolfe was here, and I was here. A meeting was held in August. And we were here for about five hours, I'd say.

SENATOR SMITH: Five-hour hearing.

ASSEMBLYMAN BARNES: And there were several concepts that were discussed. The overarching theme was stormwater management and protecting the Raritan Bay. Almost everyone in the audience -- at least from a governmental point of view -- spoke out forcefully against the bill. That was five years ago.

You talk about irony. The four of us who were there that day are here again on another round. But it's funny that you bring that up. And now you say that we're against it. You're totally off base.

MS. MANS: No, no, I apologize. I misheard the Senator.

SENATOR SMITH: No, she said we're for it.

ASSEMBLYMAN BARNES: I know. You said, "You." You used the word *you*.

MS. MANS: No, I thought the Senator said, who-- I misheard the Senator.

SENATOR SMITH: I said who is the biggest opponent. She thought I said proponent.

MS. MANS: Yes.

ASSEMBLYMAN BARNES: I know. But four people who were there four years ago are here tonight again.

MS. MANS: And I thank you for pursuing it.

ASSEMBLYMAN BARNES: Two Democrats and two Republicans, by the way. And maybe what happened in Hurricane Sandy will focus -- and I say it respectfully -- maybe it will refocus Ocean County -- the leaders here -- to really start thinking about stormwater management, protecting the Raritan Bay, and getting behind a lot of the bills that Bob Smith has been pushing for.

MS. MANS: I'm not correcting him. You can.

SENATOR SMITH: Barnegat Bay.

ASSEMBLYWOMAN SPENCER: Assemblyman Wolfe.

ASSEMBLYMAN WOLFE: It is getting kind of late. I am not a Freeholder. They can speak for themselves. But I believe one of their concerns was the way the bill was-- The language of the bill basically targeted the Barnegat Bay and Ocean County, not the Raritan Bay, not the Delaware Bay. And they felt as though they were being told, "You must do that." And I think had it been more generic, statewide, there probably would have been a lot of support. But they looked upon that as the State of New Jersey -- the Legislature -- telling them they should do that. It was permissive. It wasn't that they had to do it. But I think that was their major concern. They can speak for themselves. I'm not saying it's water over the dam, but I think that was the basic problem.

SENATOR SMITH: That's a pun, water over the dam.

ASSEMBLYMAN WOLFE: Water in the bay.

SENATOR SMITH: But anyway, Assemblyman, do you think if we modified it to make it permissive for the entire state we could get support on your side of the aisle?

ASSEMBLYMAN WOLFE: You probably could have more support. Let's put it that way.

SENATOR SMITH: Maybe we can do that as part of this package.

MS. MANS: And then we just have to work on Governor Christie.

ASSEMBLYWOMAN SPENCER: Certainly. Thank you.

MS. MANS: Thank you.

ASSEMBLYWOMAN SPENCER: Next up, Arnold Cohen, from Housing and Community Development Network of New Jersey.

A R N O L D C O H E N: Good evening.

Thank you for the opportunity to speak this evening.

My name is Arnold Cohen, from the Housing and Community Development Network. I'm also a resident of Assemblywoman Spencer's district in Newark, which was where people lost their homes due to Hurricane Sandy.

We're still very concerned about the fact that less than a quarter of the dollars that are part of the CDBG funds have actually been committed one year after Sandy. I think the DCA actually needs to be sitting down with folks who have been affected and figure out how to be using these dollars effectively, and make amendments to their plan if needed in order to be able to get these dollars out.

It sounds like there is game blame being played around HUD and what the State's responsible for, what HUD is responsible for. The fact is, this is New Jersey's plan that was approved by HUD. When HMFA put together a multi-family program that relied on a proven plan using low-

income housing tax credits, every single penny of that money has been committed. It's when new programs have been come up with, without talking to folks who know the area, that we haven't been able to get dollars out the door. As we said before, New Jersey has a stake in this and can help where needed. We can have more inspectors on the ground. There are ways the State can address getting those dollars out.

Here we are a year later and, according to the Planning Board in Ocean County, 26,000 people are unable to return to their homes as of last month. When asked about this, the Governor said he couldn't estimate how many storm-damaged homes remain unoccupied. It really is a shame that a year later we don't have that kind of data; that you, as a committee, don't have that kind of data. We need to be looking at -- and I think you as a committee should ask for -- "What has worked," so that as we go into the next tranche, as we apply for the next round of CDBG money, we're able to put together a plan that we know can work.

We've heard reports, in terms of Blue Acres, that DEP has been inconsistent around the Blue Acres -- buyout of the properties. In Newark, after initially encouraging discussions, DEP has cancelled two meetings with community leaders and affected residents. In the meantime, people need to decide whether to rebuild or are they getting help with Blue Acres. People need to know that.

We're really gladdened to hear about your recognition of problems with insurance companies, and we ask you to consider extending the deadlines for appeals for Sandy claims to insurance. And I think that dovetails well with the kinds of issues that you've talked about in terms of insurance.

So I want to thank you for the opportunity to speak. I know the hour is late. Let me end my testimony there.

Thank you.

ASSEMBLYWOMAN SPENCER: Thank you, Mr. Cohen.

SENATOR SMITH: And our last witness is George Kasimos, from Stop FEMA Now. George is probably our most loyal attendee.

I think this is your third hearing, George.

MR. KASIMOS: What's that?

SENATOR SMITH: Is this your third hearing you're coming to?

MR. KASIMOS: Is that perfect attendance? (laughter)

SENATOR SMITH: Were you in A.C. as well?

MR. KASIMOS: Yes, sir.

SENATOR SMITH: You're the only perfect attendee.

MR. KASIMOS: What are the odds that two out of three times I'd be the last speaker.

SENATOR SMITH: My staff said, "We were here too." But you're going to get credit.

MR. KASIMOS: I didn't get paid, and I didn't get elected.

SENATOR SMITH: There you go.

MR. KASIMOS: I appreciate you letting me be here.

Senator Beck, I'm sorry I got a little passionate there. It's my Italian passion -- my Greek passion, I'm sorry.

You were stating how they picked the folks out of the RREM program. You said they picked a name out of a hat or something?

SENATOR BECK: It's randomized by computer.

MR. KASIMOS: Why are we paying \$70 million to randomize something?

SENATOR BECK: The \$70 million is to administer the program, confirm people meet the income criteria described by HUD. The 70 percent low- and moderate-income, you know, is something that HUD required, not something the State wanted.

MR. KASIMOS: Right.

SENATOR BECK: So they're supposed to be ensuring that people who don't qualify for the money don't get it, so we don't have fraud as we did in New Orleans.

MR. KASIMOS: Right.

SENATOR BECK: That's what they're supposed to be doing. I mean, clearly we have some failures in the program where we don't have people properly trained and that kind of thing. But that is what they were told they were supposed to be doing.

MR. KASIMOS: I want to submit to everybody-- I have 1,000 or 2,000 signatures. I didn't think we'd be here a year later or else I would have significantly more signatures. But I just want to let you folks know that we're going to start getting signatures, and filing a nonprofit, and making this a-- I didn't think we'd be here a year later.

I appreciate, Senator Beck -- I'm not picking on you -- that you are sponsoring a law to get the flood insurance -- to oversee them. But why did it take a year? You're doing the right thing. Why did it take a year? I understand that. Maybe you think-- You're doing the right thing. I'm not trying to pick on you. But why is everything taking a year? Why are we waiting?

SENATOR BECK: The bill has been in for a while, but I'm a minority member. It takes-- Not everybody feels the same urgency that we up here do, and so sometimes you ask for your bills to be posted, and beg, and plead, and call, and call -- and trust me, I'm very much a nag, as Senator Smith will tell you.

MR. KASIMOS: Senator, we have members -- secondary home owners, primary home owners -- 70 percent of the barrier islands is second home owners. If you need help, and you need us to call some elected officials to persuade them, please feel free to contact me. We'll persuade some folks.

SENATOR BECK: Excellent.

MR. KASIMOS: I'd love to do that if that's going to help our cause. And I don't care if somebody is a Democrat or a Republican. If I have an issue with someone, I'll let you know. And some of the issues I have are the three issues with Governor Christie with the \$15 million-- The boardwalk was still on fire and he got \$15 million to those folks. The boardwalk is privately owned. I mean, come on. This is a no-brainer. I love Governor Christie. But since May he's dropped the ball on us.

SENATOR BECK: Do you want me to tell-- So we've had a lot of conversation about that. Here is the long and the short of it. Three hundred million was allocated specifically for businesses -- for business grants up to \$50,000 -- grant, not loan -- to businesses. It was way, way undersubscribed because the process was nightmarish. Businesses went to do it and it was a crazy pile of paperwork. So a lot of that \$300 million didn't get used. So at the time the fire happened, some of that money was still available, and those business owners were made aware that this -- "You

could get a \$50,000 grant to rebuild." So people are lumping the \$300 million that was allocated for the business community in with the money that is completely, separately allocated -- a different agency, different requirements, different program to rebuild residences. They're completely separate programs. One is handled by FEMA and the Economic Development Authority, one is handled by HUD. So they're not-- You can't compare the two because it's two different pots of money.

MR. KASIMOS: I understand that. I don't mean to cut you off.

SENATOR BECK: So that's the true answer.

MR. KASIMOS: But wait a minute. The \$50,000 grant that was nightmarish--

SENATOR BECK: Yes.

MR. KASIMOS: How can the people on the boardwalk get it before the fire was out? Why was it not nightmarish for them?

SENATOR BECK: It is nightmarish. He committed that they have access to it, but they still have to go through the application process.

MR. KASIMOS: Okay.

SENATOR BECK: So the headlines are: You have access to *X* of millions of dollars. It doesn't mean they have it in their pocket. It means they now have to sit down and do that crazy application, which is horrible.

MR. KASIMOS: Okay. Now, the \$50,000 first-time homebuyers program for first-time homebuyers buying in a devastated county--

SENATOR BECK: That's HUD pushing that. That's a HUD initiative.

MR. KASIMOS: It's not under Governor Christie's discretion?

SENATOR BECK: So there is a certain amount of the money HUD requires to go to low- and moderate-income people. And they require that you develop programs specific to that population. So this was one of them that was developed, but developed with HUD, and they-- So they require it. The only one that wasn't income tested was the resettlement program, which is the \$10,000 that they said you can't use for construction. They said that on purpose because if you had used it for construction, HUD would have had to do the environmental assessment, etc. So the \$10,000 grant was specifically not for construction so people would not have to get the environmental assessment, and they could get it fast. So it was purposely set aside with no income test. Actually, the State of New Jersey, with HUD, have put out 14,500 of those \$10,000 grants. So that one got out fast.

MR. KASIMOS: Right. Those came relatively easy for most of the people.

Would I be able to get something in writing concerning that it wasn't under Governor Christie's discretion about the \$50,000 first-time homebuyer program and the \$100 million for the rebuilding of the apartment buildings, or whatever they call that program?

SENATOR BECK: So what you'll be able to get fairly easily from HUD or from DCA is a conversation about the amount of community development block grant money that was allocated, which was \$1.8 billion, and that a certain portion of that had to go to low-moderate income. Then

you had some discretion as to how you shape those programs. But that money -- X amount -- had to go to low-moderate.

MR. KASIMOS: Yes, but if I'm a first-time homebuyer and I make \$200,000 a year--

SENATOR BECK: Then you can't qualify because you're not low-moderate.

MR. KASIMOS: No, all you have to do is--

SENATOR BECK: You have to be low income.

MR. KASIMOS: It's my understanding that to get the \$50,000 first-time homebuyer--

SENATOR BECK: You have to be low income.

MR. KASIMOS: You have to be low income. I didn't know that.

ASSEMBLYWOMAN SPENCER: Assemblyman Benson has a question.

ASSEMBLYMAN BENSON: It's getting late, so maybe I heard something wrong. I saw the same headlines you did about the \$15 million going to businesses after the fire.

MR. KASIMOS: Right.

ASSEMBLYMAN BENSON: Did I hear right that that's an empty promise? It's not going to get into the hands because the program is nightmarish?

SENATOR BECK: No. I can tell you that they've reformed it because (indiscernible) was undersubscribed. So certainly I would hope that people would have the tenacity to go through the paperwork. But just like the SBA loan -- as everyone in this audience who had completed an

SBA loan can tell you -- it's a lot of paperwork. And when you're getting \$50,000 as a grant handed to you no strings attached, I think the government wants to make sure that you have this unmet need, that you're truly qualified, all of those sorts of things. So they do make you jump--

ASSEMBLYMAN BENSON: So we fixed the \$15 million for the businesses, but we haven't fixed it for the residents.

Thank you. That's what I'm just trying to understand.

SENATOR BECK: They're two different programs.

MR. KASIMOS: The \$15 million--

SENATOR BECK: They're completely different programs, Assemblyman.

MR. KASIMOS: He could have said, "I have \$300 million for the boardwalk." Is that correct? How does he come up with \$15 million? I need to see something. It's not that I don't trust you or I don't trust the elected officials, but it's been a year and nothing has gotten done on local, State, and Federal levels.

The dune issue -- and I don't want to hear about Harvey Cedars or anybody else. Everybody here--

SENATOR BECK: No, it's got to get done.

MR. KASIMOS: And I appreciate everybody here for coming. I've seen Assemblyman Wolfe and Assemblyman McGucken at our rallies and everything else, and I appreciate it. And sometimes I'm the hardest on them because they're the only ones I have to scream at because they're the only ones there.

But I have to tell you, with the dune issue, everybody here should have respectfully told the courts, "I don't care what the ruling is on

Harvey Cedars--" Come down with a ruling. We've been naked for a year waiting for a court case to come down. That's ridiculous. Everybody should have gotten together and said, "Let's move forward." Now that we have everything, why are we not moving forward?

SENATOR BECK: Keep in mind that we also didn't get the Federal money until -- what was it -- March. We didn't get approval on it until March, well after many months had gone by. And then once it's approved by Congress, then it has to get appropriated to us; then we have to develop the program. So the delay--

MR. KASIMOS: Nothing can get done concurrently? I mean, you have to do one after--

SENATOR BECK: I mean, some of it was an abomination that we had states where we send money all the time, and had members of Congress voting against sending stuff to New Jersey, when we've supported them year after year with all their tragedies, including people from Texas.

MR. KASIMOS: So when are our dunes actually going to be done?

SENATOR BECK: So the beach replenishment is underway right now. The Army Corps--

MR. KASIMOS: What about Toms River, that doesn't have the easement? What about the easement areas?

SENATOR BECK: DEP has been working town by town to get the easements. Any private homeowner who doesn't give an easement -- the State is going to take action on eminent domain.

MR. KASIMOS: But we already have the Harvey Cedars. Why are we not taking-- I was at Governor Christie's thing up in

Mantoloking or wherever it was the last time in May. He called them SOBs, putting their hands over their ears. We're in 2014 folks. Where are our easements? Everything is done. Governor Christie is a bulldog. He's like a little puppy dog right now concerning the easements and everything else. And I have a big problem with it. I've never called anybody out; I don't want to call anybody out. But (expletive deleted), what the hell is going on? We're going to get flooded again, and he's going to go, "Oops, I'm sorry." Why are dunes not getting raised?

SENATOR BECK: What I can do-- Give me your phone number and I will, tomorrow, check with the DEP Commissioner to see what easements are still outstanding. I think the *Asbury Park Press* did a pretty comprehensive story recently about-- But my understanding is-- Well, I know the beach replenishment is happening right now because I've seen the boats right off of Monmouth Beach.

MR. KASIMOS: And what about Island Beach State Park? That's not an Army Corps of Engineers plan. And we don't need an easement for that. That one should have gotten pumped already. That one should have been pumped.

SENATOR SMITH: Let me make a suggestion. The two of you might want to have a continuing conversation.

Is there anything, George, you want us to hear?

MR. KASIMOS: I'm almost done.

This is what New Jersey can do: The rise in flood insurance premiums -- you heard about Diane Mazzacca. She went from \$594 to \$5,000. That's the beginning, folks. The Mississippi insurance commissioner filed a Federal lawsuit, Florida jumped on board, Louisiana

jumped on board, and Massachusetts is jumping on board. A Congressman from Massachusetts is signing state legislation to stop the rise in flood insurance premiums.

SENATOR SMITH: How do they do that? How does the state government tell the Federal government you can't do that?

MR. KASIMOS: If you want, I'll set you up with him and you can talk with him directly.

Can I tell you something? I get more respect from elected officials throughout the country than I do in my own state, in my own county. Besides these two gentlemen here, I get more respect-- I've spoken to Senator Landrieu, Senator Vitter. And the only person-- Governor Christie's policy advisors came over in March, April. Since that point, they've been mute. Senator Menendez, a week before the government shutdown -- his whole staff and his chief of staff called me for an hour. They were in my home for an hour. I would like a little respect because nothing-- Everybody is trying to help one person individually. We need to get this done collectively. Like that coastal coalition -- whoever is doing that, that needed to get done. I know there is one in Atlantic County with Senator Whelan. I don't have any idea-- I believe Governor Christie tried to stop that earlier on in the Sandy rebuilding process. That needs to get done. There is a lot of common-sense stuff that needs to get done. And if it's a partisan thing, please let me know. I will make a lot of people call somebody's office to change their mind if we have to do that. Because this is (expletive deleted). We need things to change.

The rise in flood insurance-- Have you had a little bit of time to research that, Senator Smith?

SENATOR SMITH: I paid my premium. My first floor was wiped out on Lavallette. I got my renewal. My renewal was for \$70 more. I paid the premium, rebuilt the house. And now I get a letter from Wells Fargo that said, "We got your letter, but we're not sure that you've given us the right insurance policy because it doesn't reflect the correct zone." So I may have to pay off my mortgage. So that's the individual research that I'm doing. I'm not suffering like other people are suffering. It's a second home, but we're suffering too.

MR. KASIMOS: I'm not trying to downplay-- I'm talking about the rise in flood insurance premiums. We have two problems. You can either go naked, which you choose to do, and it's your American choice. A lot of us cannot go naked. And our other choice is-- If one more person-- How many people are going to take the Senator Bob Smith road and say, "I'm going to--"

SENATOR SMITH: I got a guy in here who wants to raise his tax assessment so he doesn't have to raise up his house.

MR. KASIMOS: I saw him.

SENATOR SMITH: So you might be surprised how many people want to go that road.

MR. KASIMOS: I don't have a problem. But as you take more people off the flood insurance program, your rates are going to go exponentially higher, right?

SENATOR SMITH: For anybody who--

MR. KASIMOS: Right. So my point is that it's just going to make this--

SENATOR SMITH: Right. Show me what the-- What is it you want to focus on? You said you would like -- and I think you were trying to say you would like New Jersey to get into this litigation.

MR. KASIMOS: Yes.

SENATOR SMITH: What does the litigation do? What does it say?

MR. KASIMOS: The insurance commissioner is trying to stop the exorbitant rise in-- I don't know. I don't speak legalese. I know you're an attorney. But if you'd like, I can hook you up with the state representative from Massachusetts and see what he's doing. Let's all do the same thing, folks. I don't know what it is.

SENATOR SMITH: Listen, we're happy to look at anything.

MR. KASIMOS: Okay.

SENATOR SMITH: So if you send something to us, we'll share it with the committee.

MR. KASIMOS: Who is your chief of staff I can talk to?

SENATOR SMITH: Everything goes to Judy.

MR. KASIMOS: Okay. If I can have a card--

SENATOR SMITH: Judy will share it with everyone.

MR. KASIMOS: Okay. I appreciate it.

Concerning the rise in flood insurance premiums, what can you do? There were 20 parish presidents who came up from Louisiana last time. It's affecting the whole country. There are 750,000 people-- You're an educated man, you're an attorney, your home is in a flood zone. I'm not here to show you up, but I'm telling you that our neighborhoods are going-- You're going to be the only one up there. Our neighborhoods are going to

be-- And there are 750,000 homes. Everybody in Hoboken has no idea what their condo insurance is going to go to. It's going to go through the roof, even if you're on the fifth floor, because you have to share that burden.

Please, I urge everyone to speak to someone who understands -- a surveyor, a flood insurance company. If you want, I can send you a bunch of data. Please take a look at it and see that it is not-- This is happening. Everybody is going to rebuild and they're not going to be able to afford the flood insurance. They're going to walk away from their homes.

SENATOR SMITH: I think your right about that.

MR. KASIMOS: I'm not going to beat a dead horse, but what I would like is, when the parish presidents come up-- I don't have a staff. It's just me, and I do it on Facebook and e-mail. I would like to send everybody-- And when I say these folks are coming up from Louisiana, there's going to be-- If you heard the Governor from Florida, he was ripping the flood insurance stuff. Everybody is coming on board. Governor Christie is ominously quiet. I'm not a basher of Governor Christie; I love Governor Christie. But I feel he's let us down since about May. I understand he had to adopt the maps and everything. But you have to get on board and you have to help us.

I'm sorry I'm taking a lot of time at the end of the day. I will e-mail you a bunch of documents. Hopefully you can help. And I will send you-- If you can get the Insurance Commissioner to jump on that lawsuit, I would greatly appreciate.

SENATOR SMITH: I would like anybody in the Administration to return a letter. I've been sending letters for four of these

hearings. Nobody will come; nobody will communicate back; nobody will send a representative.

MR. KASIMOS: How about this: I will get-- Why don't you and I get together, and I will make a bunch of phone calls -- or I will make sure a bunch of phone calls get sent out to Governor Christie's office concerning several of the issues so we can get these things working together. Look, it's all I can do.

SENATOR SMITH: We appreciate you trying.

MR. KASIMOS: I appreciate it.

Thank you very much.

ASSEMBLYWOMAN SPENCER: Thank you.

And before I wrap up -- just because I know he'll wonder if I even called his name -- Dave Pringle. He's not here.

I believe we're--

SENATOR SMITH: We are adjourned.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Thank you all for participating.

(MEETING CONCLUDED)