

# *Committee Meeting*

of

## SENATE ENVIRONMENT AND ENERGY COMMITTEE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

*"Testimony on the progress of Hurricane Sandy recovery efforts"*

**LOCATION:** Jersey City City Hall  
Jersey City, New Jersey

**DATE:** September 16, 2013  
7:00 p.m.

### **MEMBERS OF COMMITTEE PRESENT:**

Senator Bob Smith, Chair  
Senator Sandra B. Cunningham  
Senator Jennifer Beck

Assemblywoman L. Grace Spencer, Chair  
Assemblyman Reed Gusciora, Vice Chair  
Assemblyman Charles Mainor  
Assemblyman Ruben J. Ramos Jr.  
Assemblywoman Holly T. Schepisi



### **ALSO PRESENT:**

Judith L. Horowitz  
Michael Molimock  
Carrie Anne Calvo-Hahn  
*Office of Legislative Services  
Committee Aides*

Kevil Duhon  
*Senate Majority  
Christopher Pierre  
Assembly Majority  
Committee Aides*

Brian 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*



L. GRACE SPENCER  
*Chairwoman*

REED GUSCIORA  
*Vice-Chairman*

PETER J. BARNES, III  
RUBEN J. RAMOS, JR.  
SCOTT RUDDER,  
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**COMMITTEE NOTICE**

**TO:** MEMBERS OF THE ASSEMBLY ENVIRONMENT AND SOLID WASTE COMMITTEE

**FROM:** ASSEMBLYWOMAN L. GRACE SPENCER, CHAIRWOMAN

**SUBJECT:** **COMMITTEE MEETING - SEPTEMBER 16, 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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**The Assembly Environment and Solid Waste Committee and the Senate Environment and Energy Committee will meet jointly on Monday, September 16, 2013 at 7:00 PM in the Jersey City Council Chambers at City Hall, 280 Grove Street, Jersey City, New Jersey.**

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

Issued 9/9/13

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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**SENATOR BOB SMITH (Co-Chair):** Good evening, everyone, to the two most interesting committees in the Legislature, the Assembly Environment Committee and the Senate Environment Committee.

This is the second hearing that-- Assemblywoman Spencer, with the Assembly Environment Committee; and myself, with the Senate Environment Committee, have held hearings around the state. This is number two. The last one was in Atlantic City on August 15; the topic of which is Sandy recovery. We are trying to find out what the State of New Jersey is doing right and what the State of New Jersey is doing wrong to help its citizens through this disaster.

If I may, I have with me tonight, standing in for Senator Whelan -- or sitting in for Senator Whelan -- Senator Sandra Cunningham.

Senator, would you like to say hello to everybody? You're the hometown Senator, right?

**SENATOR CUNNINGHAM:** Yes, I'm one of them.

Good evening, everyone. First of all, I'd like to welcome this Committee to the great City of Jersey City. It's wonderful to see so many people here today. And this is a wonderful opportunity for our citizens to talk about how Superstorm Sandy affected their lives, and to make recommendations, and to just hear what is happening and what has happened around the state in regard to this.

So I hope everybody will walk away with information today. And I certainly hope that this Committee will enjoy being in Jersey City. It doesn't get much better than this.

Thank you.

SENATOR SMITH: Thank you for your comments.

Let me turn the meeting over to Chairwoman Spencer to introduce her members.

**ASSEMBLYWOMAN L. GRACE SPENCER:** Good evening, and thank you for being here this evening. The fact that you've taken time out of your evening schedule to be a part of this hearing indicates that this is very important to you -- as important as it is for us, which is why we are here.

With me today I have four members of the New Jersey State Assembly: Assemblywoman Holly Schepisi; Assemblyman Ruben Ramos; Assemblyman Charles Mainor, who represents Jersey City; and Assemblyman Reed Gusciora. We've traveled from different parts of the state. We all represent different areas of the state. But each of our hometowns or areas that we represent have areas that were affected by Superstorm Sandy. And I'm sure that when I say that all of us are assembled here to make sure that people are able to rebuild and be stronger than the storm, that is our goal and our purpose here today.

Thank you for being a part of this today. We look forward to hearing your testimony.

SENATOR SMITH: For the residents and citizens present, be aware that all of your remarks are being transcribed. There is a stenographic record being kept. There will be a booklet prepared for all members of the Senate and Assembly, and the Governor to review. So your comments are not just to the legislators who are here, but they're to the entire Legislative Branch and the Executive Branch of this government. We

need to know what your experiences are with Sandy, what's right, what's wrong.

Our first witness is Greg Kierce, Director of the Jersey City Office of Emergency Management.

Mr. Kierce.

**S E R G E A N T W. G R E G K I E R C E:** Good evening, Chairman Smith, Chairwoman Spencer, and distinguished members of the Senate Environment and Energy Committee.

I'd like to acknowledge Senator Sandra Bolden Cunningham and Assemblyman Charles Mainor, in particular, for their assistance and support during the times of Hurricane Sandy. They both spent many hours dealing with issues -- assisting Jersey City with problems and issues on a State level. And, once again, I'd like to publicly acknowledge and thank you.

My name is Greg Kierce. I'm the Director of the Jersey City Office of Emergency Management and Homeland Security.

On the evening of October 29, Sandy made landfall in southern New Jersey. Sandy was the second largest Atlantic storm on record, with effects felt across 24 states. The storm battered the East Coast, particularly the densely populated New York-New Jersey Metropolitan region, with heavy rain, strong winds, and record storm surges.

In terms of immediate impact, the greatest health threat came from the storm surge that swept into the densely populated communities of Jersey City, Hoboken, and Lower Manhattan. The storm's arrival coincided with a high tide to push onshore a destructive surge of water 12.5 feet high at its peak.

In Sandy's immediate aftermath, over 23,000 people sought refuge in temporary shelters, and over 8.5 million customers were left without power. The storm flooded numerous roads and tunnels, and blocked transportation corridors, contributing to fuel shortages across the New York-New Jersey Metropolitan area. Ultimately, the storm caused tens of billions of dollars in damages, damaged or destroyed hundreds of thousands of homes, and killed at least 162 people in the United States.

On October 28, an emergency declaration was effectuated in Jersey City, initiating extensive protective measures and mandatory evacuations along low-lying areas adjacent to the Hudson and Hackensack Rivers, potentially impacting over 50,000 residents.

Seven emergency evacuation shelters throughout the city became operational at 1:00 p.m. Sunday, by which midmorning Monday saw numbers increase to 2,500 residents. As Hurricane Sandy made shore in the southern part of our state, its devastating effects gradually increased as it travelled north to Jersey City.

The full effects of Sandy's wrath were felt at approximately 8:30 Monday evening, when wind gusts in excess of 80 miles per hour, as well as overflowing waters from the Hudson and Hackensack Rivers, began to flood low-lying areas of the city.

By 9:00 p.m., approximately 90 percent of the city had lost power as water from the Hudson and Hackensack Rivers in excess of four feet was flooding neighborhoods in the downtown Greenville and Lafayette sections of our city.

By 9:30 p.m., first responders were engaged in a valiant effort to protect the Jersey City Medical Center located on Grand Street and

Jersey Avenue, approximately one mile from the Hudson River, from approaching waters estimated to be in excess of four feet.

Sandbags were placed around the perimeter of the complex. However, extensive flooding impacted the hospital emergency room, necessitating its closure and causing the hospital to go into diversion status. The first 72 hours of response operations focused on supporting first responders to save lives, maintain safety, restore power, and stabilize the city. An emergency request was forwarded to the New Jersey State Police ROIC for National Guard High Water Vehicles, which was swiftly processed, and search and water (*sic*) operations commenced in areas most heavily impacted, by our police and fire personnel.

As the storm moved from the area, citywide assessments continued throughout the night into Tuesday, revealing significant flooding in the Greenville, Downtown, and Lafayette sections of the city. City Hall, located at 280 Grove Street -- approximately one-half mile from the Hudson River -- sustained ceiling-high flooding in the basement area, destroying City offices as well as City Hall telephone and network systems.

Hurricane force winds downed hundreds of trees and branches, as well as dozens of utility poles, impacting power lines significantly, diminishing telephone, cellular phone, and Internet service throughout the city.

Two downtown residential high-rises, with a combined resident population of 700-plus, were ordered evacuated by City officials due to structural damage. In addition, a senior citizen residence with approximately 125 residents was evacuated due to lack of heat and water, necessitating the opening of the National Guard Armory for shelter.

Based on the devastating aftermath of the storm, police and fire personnel were placed on 24-hour (*sic*) shifts, were held for extended tours of duty, and a curfew and driving ban were imposed citywide from 7:00 p.m. to 7:00 a.m.

As damage assessments continued, the Jersey City Incinerator Authority staged dumpsters and crews citywide to facilitate removal of storm-related debris, resulting in the removal of approximately 6,000 tons of debris. Point of Distribution Locations were established throughout the city for distribution of food, blankets, and water to residents, resulting in the distribution of 150,000 meals, 2,000 cases of water, 10 pallets of ice, and 2,500 blankets through November 9.

As power outages continued, there was an increasing need for emergency generators to restore basic services to multiple high-rise units throughout the city. Multiple emergency management generators were deployed throughout the city, and with the assistance of a local electrical company, those senior citizen locations whose basic power requirements could be met were connected. In addition, four police precincts, juvenile bureau, and firehouses without backup power were kept operational.

Preliminary damage assessments: Over 6,100 residential housing units throughout the city sustained moderate to severe damages due to flood waters, the majority of which was not covered by basic insurance. Damages are expected to be in the millions.

Fifteen high-rise waterfront buildings housing numerous global financial entities, employing thousands, were impacted by flood waters.

Damages to Jersey City government property and autonomous agencies are estimated in excess of over \$22 million dollars.

FEMA response was both swift and measureable, however deficiencies still exist related to disaster assistance programs. While disaster recovery centers registered a large number of people for disaster assistance, DRC processes were not oriented to efficiently meet survivor needs. The process of seeking assistance at a DRC often required survivors to repeat information to multiple individuals, lengthening the process, only to be later informed that they didn't meet or were not eligible for assistance.

Sandy provided a significant test of the region's capabilities and those of its whole community partners. The scale and severity of the storm resulted in extensive effects including flooding, damage to transportation networks and other critical infrastructure, power outages, fuel disruptions, and property damage across the East Coast and inland.

Lessons learned: improve evacuation, including updated evacuation zones and better, clearer communication to assist Jersey City residents understand how to protect themselves from the risk of severe weather; improve accessibility of all coastal storm-related information and services to make them available to Jersey City residents, including persons with disabilities, special needs, the homebound populations, non-English speakers, and members of the homeless community; better integration of the City's data across platforms and agencies to increase situational awareness and allow more targeted, efficient response and recovery operations; additional capacity to respond to large-scale building inundation and loss of power, including pre-storm identification of the equipment and skilled resources likely to be needed for building restoration, and better coordination with building owners; better coordination of relief to affected areas and the vulnerable or homebound populations, including more

efficient deployment of volunteers and donations to residents and building owners; the development of mid- to long-term housing plans for residents displaced by damage from coastal storms; and, of course, a partnership with Federal and State authorities that regulate and enforce standards for private companies and utilities that provide essential services to Jersey City.

In closing, I would be remiss if I failed to acknowledge the level of assistance and cooperation offered by Governor Christie and his Administration during this horrific event.

For most, life has returned to normal since Superstorm Sandy wrought devastation last fall. Now our city and other communities must attempt to glean lessons learned from the storm, as well as other disasters, and use them to plan for the future. These disastrous events are not isolated anomalies. There's reason to expect more in the future.

I thank you for this opportunity and will be happy to answer any questions.

SENATOR SMITH: Mr. Kierce, would you be kind enough to leave a copy of your remarks with our stenographer?

SERGEANT KIERCE: Yes, sir.

SENATOR SMITH: Any questions?

Senator Cunningham.

SENATOR CUNNINGHAM: First of all, Greg, let me say that you did what I thought was a great job during Superstorm Sandy.

There were a couple of things, though, I noticed. I spent a great deal of time at senior citizen housing. And one of the things that I realized was, the seniors who lived in senior citizen housing were getting the attention that they needed for the most part, but it was the seniors who

lived in the more residential areas -- in the one-family, two-family homes -- that were more isolated. And we really didn't have a procedure for reaching out to those seniors and providing services to them. And that's something we really need to look at -- be a bit stronger about.

And the second thing: Calls that I received afterward-- I know one or two people had a stroke or a heart attack during the course of everything that was going on. And I was reading the notes, and I saw that one of the things you were thinking about doing was to more or less take everything from one general area and relocate services around the city in specific places, which I think is wonderful. But when you do that, I think one of the things you need to look at is possibly having some sort of healthcare facility or an ambulance -- some things that are put in key areas so that people who find themselves in health emergencies can better get services. And that wasn't done this time.

SERGEANT KIERCE: Agreed.

And, Senator, with Mayor Fulop -- one of his initiatives was the expansion of the resident response unit. Director Bernheim and myself have had several discussions. And I think the outreach that -- God forbid we have another issue such as this -- will be greatly enhanced. Our plan is to utilize City facilities, libraries, community centers, and that -- and staff them with personnel who would be able to assist.

We've also greatly expanded our community emergency response team training. We now have over 60 additional volunteers in place. And day by day we do get responses. And I'm happy to report that the amount of volunteers is increasing.

SENATOR CUNNINGHAM: Through the Chair, may I also suggest that you reach out to block associations? They could be very helpful in identifying people in their areas who need help or might need special care. If you bring them in early, perhaps for training, they could be invaluable to you I think.

SERGEANT KIERCE: We will.

And in addition, too, in the next week or so we're increasing some notification of that type of information on our website, specifically for special needs. We want our own database internally. Obviously the State has one, but I think I would feel more comfortable knowing we could identify and preposition assets, and things of that nature, should we have another event of this magnitude.

SENATOR CUNNINGHAM: Through the Chair.

SENATOR SMITH: Sure.

SENATOR CUNNINGHAM: May I just ask one other question? One of the biggest problems that we all found ourselves in was the lack of communication. And it wasn't so much the lack of communication from your office or from City government, we were having a big problem with PSEG and Verizon. Can you talk a little bit about how that impacted?

SERGEANT KIERCE: Yes, and we've increased levels of redundancy. One of the issues that we dealt with was that we had contracted to do major upgrades at our operation center, which were scheduled to commence on November 1. The week before, as part of the contract procedures, our video (indiscernible) and other network capabilities were removed. So we did have diminished capacity. However, I

think right now the levels of redundancy that we have in place -- both in the operations center-- I'm working with Director Mike Razzoli, from the Department of Public Works, to have a secondary location if, in fact, we do have issues that would, for whatever reason, knock the main location out. And also Verizon and PSEG -- we've been to the table with them over the last couple of months working on contingency plans, and backup plans, and things of that nature.

SENATOR CUNNINGHAM: Thank you.

SERGEANT KIERCE: You're welcome.

ASSEMBLYWOMAN SPENCER: Assemblyman Mainor.

ASSEMBLYMAN MAINOR: Thank you.

My question is this here-- First and foremost, I remember that day very well because I was actually working. And other than the lack of gas that we had, and the people standing in line-- I'm sorry, there wasn't a lack of gas, there was just no power to pump the gas. There has been talk of legislation trying to get gas stations to all have emergency pumps prepared.

But my question is this here: When we have situations such as this, I'm sure that there's -- if I'm not mistaken, there's a countywide Office of Emergency Management.

SERGEANT KIERCE: Yes.

ASSEMBLYMAN MAINOR: Do they oversee the entire county?

SERGEANT KIERCE: Well, Assemblyman, the process works and everything starts at the local level. The County would go-- We would request assets, ultimately, through the -- that would go to the State. But we

all partner hand-in-hand. I sit on the UASI Executive Board -- the Urban Area Security Initiative -- which is pretty much the homeland funding mechanism for Newark, Jersey City, and the seven contiguous counties. And in speaking of the requirements for the 2013 cycle, we move now -- although keeping an eye out for potential terrorism activity, I think now everybody is moving toward the preparedness end.

In Jersey City's case, we're buying specialized equipment -- gasoline tankers and things of that nature, additional generators. We have a mitigation project to ensure that all of our police and fire facilities without emergency power will have emergency power. Through our Municipal Utilities Authority, we're doing extensive work on pumps and those types of things. But collectively I think everybody-- It was a lesson learned for all parties concerned.

ASSEMBLYMAN MAINOR: May I ask another one?

ASSEMBLYWOMAN SPENCER: Certainly, Assemblyman Mainor.

ASSEMBLYMAN MAINOR: Looking at what we just went through, is there anything that we can do in the State -- is there anything that needs to be mandated, that we can put in place, to make sure that if something like this should ever happen again that we could be in a position to make it as easy as possible?

SERGEANT KIERCE: I think what you touched on earlier was a good example. I think originally the legislation was written where they would offer some type of low loans or things of that nature to gas stations for generators.

ASSEMBLYMAN MAINOR: Bring the mike closer to you. I can't hear you.

ASSEMBLYWOMAN SPENCER: The larger one.

SERGEANT KIERCE: I think the initial legislation called for generators. What I would submit is that the installation of transfer switches might be an alternative, where we have a significant amount of generators on hand as a result of Hurricane Sandy and dollars that we had spent in further preparedness. It's a lot less cost prohibitive. And I think if you had identified stations throughout the city that would participate in this program, that would allow us to supply the generator to get gas out. I think it would probably work a lot easier than going through the generator route, which would cost a lot of money.

ASSEMBLYMAN MAINOR: Thank you very much.

SERGEANT KIERCE: You're welcome.

ASSEMBLYWOMAN SPENCER: Any other questions?

Assemblywoman Schepisi.

ASSEMBLYWOMAN SCHEPISI: I just have one follow-up question, to the transfer switches. A lot of the new gas stations, with the new technology-- I understand it's difficult for you to just bring a generator in. Would the transfer switch alleviate that issue for the newer technology gas stations?

SERGEANT KIERCE: Yes, what it was-- Basically it's a switch that connects into your electrical panel that would be mounted externally on the building. So if we had a generator, for instance -- and it really wouldn't require a very large generator. But it's the interconnections that are required. With this it would simply be: bring the generator to the scene,

plug it into the interconnect, and then the emergency power would be there to supply to the pumps.

ASSEMBLYWOMAN SCHEPISI: And that would work with all the upgraded stations?

SERGEANT KIERCE: Yes.

ASSEMBLYWOMAN SCHEPISI: Okay.

ASSEMBLYWOMAN SPENCER: Assemblyman Ramos.

ASSEMBLYMAN RAMOS: My question is in terms of assets lost and assets recovered at this time. What assets did you lose that day during the storm? And have you been able to recover these assets, replace these assets?

SERGEANT KIERCE: We're in the FEMA process now, Assemblyman. Obviously, just in City Hall alone we were looking at a significant amount of money. We recently had to replace the entire electrical system. And it's an ongoing effort. As we move along doing inspections, we're dealing with an issue now at the Municipal Utilities Authority where they were replacing pipes. And in doing so, they found additional damages. So now it's a tremendous amount of paperwork involved. It's a tremendous amount of dedication on the part of the folks who are out there writing the project management sheets.

The money is coming in. Unfortunately, as I say, there are a lot of regulations that have to be passed and justify the dollars that are being spent.

ASSEMBLYMAN RAMOS: That was my next question: Are the dollars flowing to replace those assets sooner rather than later? And

what troubles are you going through in trying -- as far as the bureaucracy with the paperwork and things like that?

SERGEANT KIERCE: I think that's probably the biggest thing. But it's Federal requirements. And obviously you want to make sure the dollars are spent properly. And so far what we've seen is that our projects-- We have a significant amount of mitigation projects out there, such as the generators for critical facilities, different pipes, and additional--

One of the issues that we deal with here is that we have a dual purpose sewer system. So it's both waste and -- similar to Hoboken. So many times during these events -- and of late, they've all occurred during high tide full moons. So the outflows are blocked. The water has no place to go. If you go to certain sections of the downtown area now -- specifically Grand Street and other areas like that -- you'll see that there are these used pumps in place where, if we do have a flooding type of event, they can force the water into the--

But you look at it in the last couple of years -- between blizzards, two hurricanes, and an earthquake -- I guess God is trying to tell us something. (laughter)

ASSEMBLYMAN RAMOS: Hopefully we're listening.

ASSEMBLYWOMAN SPENCER: Yes. Certainly I think we all have seen in the papers and on television that Jersey City does encounter more than its fair share of pipes that break.

ASSEMBLYMAN RAMOS: Water main breaks.

ASSEMBLYWOMAN SPENCER: It seems to be quite often.

My question is: With regard to your infrastructure -- the municipal infrastructure -- what problems or foreseeable problems have you

identified going forward which may need -- well, which do need to be addressed in order to help reduce the significant impact storms such as Sandy or any other major hurricane may have on your municipality?

SERGEANT KIERCE: I think we've done vulnerability assessments, and they continue. Even in this building -- as we did make significant repairs to have it operational. Director Razzoli, from the Public Works, and myself have met with the engineers and things of that nature. We found spots just in City Hall that we really didn't realize were part of the initial assessment. So its ongoing, and I think it will be.

Plus, you're dealing now with a lot of the residents who are dealing with significant mold issues where they didn't have the funds to make the repairs initially. So I think the system has to be a little better streamlined on the Federal level. Because I know we dealt with countless individuals who, for instance, when they were filling out the packets for assistance-- You had folks who were unemployed and maybe just lost everything they had, and they were asked to fill out a request for a small business loan -- most of which -- "I don't have a business. I just want to fix my home." And they skipped that portion of the paperwork. And we found out, if, in fact, you didn't fill that out, the paperwork was moved to the side. So we were able to get some assistance for people. Plus, there were a lot of inconsistencies as far as having the actual on-sight assessments were done. You have, up in areas that I'm familiar with -- Country Village, where I lived a good portion of my life -- many townhomes -- similar residences next door -- where they had damages done to their furnaces and their hot water heaters. For the sake of argument, if you lived at 16 Smith Street and your neighbor was at 18 Smith Street, the person at 16 may

have gotten some assistance, but the person at 18 got no assistance. And that was based on the primary -- on the initial damage assessment that was done by the adjuster. So there are a lot of inconsistencies out there. And I think the insurance industry should be taken to task in many ways too, because there are a lot of folks who should have received some type of compensation who didn't. And there are still a lot of hurting people out there in the state.

ASSEMBLYWOMAN SPENCER: Is there an office here in municipal government that is an intermediary in assisting people in making sure their applications get where they need to go or get filled out correctly?

SERGEANT KIERCE: As I mentioned, Mayor Fulop's Administration -- we just recently revamped the Residential Response Unit. And I worked closely with Director Bernheim. People come to my office -- We're pretty much out there -- and we try to work through the system for them. We give them as much assistance as humanly possible. But I think many people get frustrated and get tired of filling out paperwork and getting the same answer or no answer at all.

ASSEMBLYWOMAN SPENCER: Certainly one of the concerns that we have is how the moneys that have been -- the moneys that are available in the State and through the Federal government -- how they're being dispersed throughout the State of New Jersey. We know that, overwhelmingly, a lot of grants and a lot of assistance is going to communities along the shore, which we are happy about. But there are also those communities that are not along the Jersey Shore -- such as Jersey City, Hoboken, Newark, Moonachie, and Little Ferry -- that also have communities which have suffered. And we're trying to make sure that those

communities receive the grants that are available, as well, to rebuild, and that whatever barriers may currently be preventing these grants from being given -- that we address those barriers so that these communities can get back up and running.

SERGEANT KIERCE: I would have to say that on the State level there has been a tremendous amount of outreach as far as making people aware of what's out there. I know from the City's side, we do get the information out there. I think the level of frustration exists there again back on the Federal side where-- The perception of FEMA is that I think a lot of folks feel that they're going to come and do the damage assessment, and automatically receive some type of compensation. Many times that's not the case.

ASSEMBLYWOMAN SPENCER: Thank you.

SERGEANT KIERCE: You're welcome.

ASSEMBLYWOMAN SPENCER: Any other questions?

Assemblyman Gusciora.

ASSEMBLYMAN GUSCIORA: What recourse do people have when they're having difficulties with their insurance companies? Are we ever intervening? What do they do once an insurance company low-balls them?

SERGEANT KIERCE: I believe there is an appeals process in place where, in fact-- What we were finding was that early on many folks were just blanketly denied. And we had a very significant wind event and storm surge event here. It was wind-driven water. We did have rain, but we didn't have as much rain as anticipated. So many times people would say, "Well, it's a flooding issue." Well, it was a flooding issue, but the water

was driven by storm surge. That's covered under insurance -- or from what we're being told it is. So I think people just have to be diligent. They have to just keep going through the system and making the effort to try and get as much assistance as they can.

Obviously we're dealing with some issues with the new flood mapping, because people-- And the timing of the release of the maps -- I mean, that was somewhat problematic because people felt it was directly associated with the storm, where it wasn't. It was due time for renewal of those maps. And many times now people find -- they live in a brownstone, or a townhouse, or something like that -- and there's the possibility of an elevated house. I still haven't found how you can elevate a brownstone.  
(laughter)

ASSEMBLYMAN GUSCIORA: I'm wondering if the State Department of Banking and Insurance -- if there was any indication of any oversight or work on their behalf to push the insurance companies along.

SERGEANT KIERCE: We have met with different representatives. As I said, I compliment the State government, because they were very responsive -- from the State Police, OEM, down to-- The Governor had--

ASSEMBLYMAN GUSCIORA: I'm talking about the Banking and Insurance Department. Did they do any pressure?

SERGEANT KIERCE: I think the appeals process -- obviously they have impacted it. I have read periodicals throughout the state. But I think it's the persistence of the individual person who needs it. And persistence does pay off.

ASSEMBLYWOMAN SCHEPISI: If I may.

ASSEMBLYWOMAN SPENCER: Certainly, Assemblywoman Schepisi, and then Assemblyman Mainor.

ASSEMBLYWOMAN SCHEPISI: For any residents who are finding that they're having issues with their insurance companies, DOBI did set up -- the Division (*sic*) of Banking and Insurance -- did set up a mediation program back in March. And as of April, out of all the million -- I think there was over a half-million claims that were filed -- there were 32,000 that were still outstanding as of April, with DOBI implementing a mediation program for any claims over \$1,000. The flood insurance claims were not eligible, because those are the Federal things. But there is a mediation program in effect that DOBI is overseeing for people who are having issues. So if anybody in the community is having issues, that is something that is available to you. And we can get you additional information.

ASSEMBLYMAN GUSCIORA: That's an interesting point. I would like to follow up with that, because with my limited knowledge of mediation -- and you're a lawyer -- either party can walk away if they don't like the result. I was hoping that the State would do something more compelling or forceful to move these insurance companies. Because we're hearing way too many horror stories where insurance companies are just not dealing, not offering -- in good faith -- a recovery. And it just really frustrates a lot of the homeowners.

ASSEMBLYWOMAN SPENCER: Assemblyman Mainor.

ASSEMBLYMAN MAINOR: Just to piggyback off what he said, as far as the insurance, I think it's a thing of, more so, a lack of knowledge. A lot of the homeowners really don't know what can be done.

And once they're told no, they have no recourse or no one who is going to give them the information they need.

But just to come back to the actual storm, I just wanted to put on record that I believe OEM did an excellent job.

SERGEANT KIERCE: Thank you, sir.

ASSEMBLYMAN MAINOR: You really stood by our people. You brought the agencies together. And PSEG was absolutely wonderful. Every day someone's lights were coming on. Unfortunately, mine came on the 14th day. But every day someone's lights came on. And I think it was excellent to see the city come together the way they did.

As far as the communication part -- that's the only thing we would have to find a way of -- how do we get information out? With no electricity, with no power -- the computers, the phones, everything was gone. So if we can find a way for that there, I think we'll be fine.

But I wanted to put it on record and say thank you; and thank you to PSEG for working the way you did.

ASSEMBLYWOMAN SPENCER: Thank you.

SERGEANT KIERCE: Thank you.

SENATOR SMITH: Let me recognize the presence of Senator Jen Beck, who came in during the testimony.

Senator.

SENATOR BECK: Thank you, Chairman.

The National Flood Insurance Program is only responsive to the Federal government. So the Department of Banking and Insurance in the State of New Jersey has no jurisdiction over them, and they refuse to participate in the mediation. They flat out refuse. They just won't do it.

In Monmouth County, which is my home county, we have a joint field office where FEMA is set up. And I have more than 100 constituents that I'm working with on flood insurance issues. And I take them directly to the joint field office with their policy numbers and a little, short description of the case, and a way to contact these people. And then they focus their energy on each individual. It's the only way we've been able to get any movement -- is really that kind of dogged attention. And it's unfortunate.

But there is legislation in -- which I'm not sure if it's in the Assembly. So if it's not, it would be great if maybe one of you guys would drop it in -- that would give the Department of Banking and Insurance in the State of New Jersey jurisdiction over the process of claims so that they would have to comply with timelines and the letter of the policy, etc. Because, right now, they don't have to. I mean, they're supposed to be responsive to the Federal government. But I can tell you that we get a lot of complaints about the flood insurance program.

ASSEMBLYMAN GUSCIORA: I want to be clear -- and I'm not trying to be political about the Department of Banking and Insurance, because I don't question the Governor's sincerity in his efforts to resolve this. But just like what you're doing, I would have liked the Department of Banking and Insurance to be more proactive and more -- do more advocacy. Because we hear more and more horror stories where, individually, we're getting involved above and beyond what normally a legislator would do.

But I would just hope the Department would be a little more of an advocate for the insured and really bring to the public's attention that a

lot of these insurance companies are just jerking people around and not settling these claims. That's my only point.

SENATOR BECK: Commissioner Ken Kobylowski has personally gotten involved in cases and intervening for people with FEMA. But he does what I do. He takes their policy number, he takes their name and their phone number, and goes to the joint field office and says, "Guys, you need to fix this." So he has been very responsive. I kind of do a blanket e-mail to both the Commissioner, and to Gracia Szczech who is the head of the joint field office. But it's painful. And I think FEMA is somewhat overwhelmed because we had so many thousands of people filing claims.

ASSEMBLYWOMAN SPENCER: Certainly.

Next up, I believe, is a panel.

Arnold Cohen.

Mr. Cohen, are there people with you?

Before you guys sit down, I just want to add that I am the Vice Chair of the Financial Institutions and Banking (*sic*) Committee for the New Jersey State Assembly. And certainly the issues that have come up with regard to insurance -- a lot of these issues have been taken up in our Committee, and an ongoing discussion has been taking place with Commissioner Kobylowski with regard to advocacy and making sure that constituents are not being given the runaround when it comes down to their claims. And the discussion that we've had with the Commissioner with regard to the dealings with the insurance companies is, "Listen, don't haggle with them, and you won't have any problems with us." So hopefully that message is getting across and that the problems that a policyholder has had,

particularly months -- the few months following the storm -- some of those issues -- I would think most of them have been resolved and that they're not being hassled the way they were hassled back in November, December, and January.

Mr. Cohen.

**A R N O L D C O H E N:** My name is Arnold Cohen. I'm the Senior Policy Coordinator for the Housing Community Development Network of New Jersey. We're a statewide association of nonprofits throughout the state. And our members are there on the ground in communities devastated by Hurricane Sandy, working directly with residents.

I have with me two residents who will speak about their story, who were directly affected; and Maria Maio, who is the head of the Jersey City Housing Authority. And we're going to try to move through quickly here.

As you may recall, we were in Atlantic City working to make sure the renters and homeowners get the assistance which they're entitled to. Unfortunately, we have not seen real progress. We've provided the Chairs with a detailed timeline on the application process and the experiences that the two families that joined us last time have experienced. And you'll hear other stories tonight.

Before we tell you about the challenges that people are struggling to overcome, I just want to let you know that we've heard about successes and the barriers of programs that have been adopted thus far. As you know, there is \$1.8 billion of Federal dollars that have come under the first allotment for New Jersey, and another \$2 billion will be coming in the second allotment. So it's very timely that we're having the hearing tonight

so we can learn about how successful and what are the questions from the first tranche of dollars that have come to New Jersey, as we're putting in that application for that second tranche of dollars.

While we applaud New Jersey HMFA in quickly allotting funds under the multi-family housing program for lower-income rental units -- they provided funding for over 2,000 rental units -- other CDBG disaster relief programs have not been as successful in meeting New Jersey's needs. There are many issues facing displaced renters and homeowners trying to return to areas in which they lived. And I'm just going to quickly outline four of those areas.

One is that there is not enough help for renters. The multi-family housing program that HMFA runs is for new housing. That's housing that we're not going to see for another two years. As far as we have seen, most of the funds that should be directed toward the immediate needs of renters -- there has not been any action there. We know of no funds that are going to the incentives for landlords in small rental properties. This is a \$110 million program that is supposed to give \$50,000 grants for landlords to make repairs on homes they rent in exchange for making those rents affordable for lower-income people.

There are thousands of low-income renters who have lost their home due to Sandy who are still awaiting help. And for renters who stayed in their community -- what they've seen is that the rents have skyrocketed. You know, a part of this is really supply and demand. You have more people looking-- You have less of a supply of rental housing, because some of that housing has been destroyed by Sandy. You have more people trying to look for that housing, as many homeowners have become renters while

trying to get their home repaired. So even that small number of housing vouchers that have been out there -- many of them have been returned because people cannot find housing with those vouchers at the rate of which the Federal government will reimburse the landlord.

So what we're saying is that the solution here is for the current program to be amended to work with nonprofits, to work with public housing authorities basically in three ways: One is to use CDBG funds in order to make those vouchers workable in what -- the market value of what rents are today. Two is to work with nonprofits that have housing counselors who are familiar with those communities to help people find the housing that they need. And three would be to fund the immediate repair of housing that is there in nonprofits and public housing authorities, and supplement the rents so that they're affordable to lower-income renters.

The second program we want to talk about is the restoration of multi-family housing, which has gotten -- which HMFA has gotten money out quickly and has very clear criteria on where that money should go. Unfortunately, there is not enough money in that program, so that half the developers that apply for those dollars were not able to get dollars to be able to create new rental housing. New Jersey HMFA has -- they were able to leverage those funds with what is called *low-income tax credit programs*. It's a very efficient way to do it. You have a Federal program. You have the money for Sandy relief. You match the two together, and now you're getting a bigger bang for your buck. HMFA had to go through its funding through the year 2015 in order to do that. So what we need in this next tranche of money is to see a substantial amount of dollars going into the successful program -- we're saying in the realm of \$500 million.

The third is that, as you will hear from the homeowners, the situation for the homeowners isn't much better. Although you have dollars that are being spent here, the Reconstruction Rehabilitation Elevation and Mitigation program -- the RREM program -- which is giving \$150,000 grants to homeowners to rebuild for costs that aren't covered by insurance or by FEMA-- People have been rejected and haven't been told why they have been rejected, and that's very problematic. It's even more problematic in heavily Hispanic areas like where we are here in Hudson County or Bergen County -- where if you look at the rates of people who have gotten those dollars, it's much lower than the rates of lower-income people in other parts of the state.

Similarly, people are being rejected from the resettlement program without knowing why. According to DCA data, only 41 percent rather than the promised 60 percent of grants have gone to lower-income families. In addition, anybody who is living in a mobile home in the State of New Jersey can't access either of these programs. So they're automatically out of the box.

So there is \$850 million, or almost half of the CDBG dollars, that are being spent for these homeowner programs, and we really can't go on without clear guidelines and addressing the needs of homeowners that should be addressed in this program.

The next program to talk about is the public housing program, which Maria Maio will speak more about later. But, again, to date, no dollars have been allocated under this program. You'll hear from the one housing authority that's applied. But yet we know there's tremendous damage in Carteret and the Hoboken Housing Authority, Atlantic City

Housing Authority. But yet the guidelines for these programs are so prohibitive that these housing authorities aren't applying. And so the State really needs to sit down with public housing authorities and work out a program that will actually address the needs; because it's crazy to be getting dollars from the Federal government to address these needs and not have a program that's workable where the needs are the greatest. And we really depend upon public housing within the state.

And finally, I just want to speak about the \$25 million that has gone for what's called *special needs housing*. Unfortunately, in order for a developer to address the needs of people with special needs, you need services; because these are people who, by definition, need services. And you need a housing voucher because these people -- or people with special needs are often very low-income. The only program that has both vouchers and services is a program for people with severe developmental disabilities that's been funded through a lawsuit settlement that's called the *Olmstead Settlement*. And so you have people with mental health disabilities or less developmental disabilities who are not getting their housing needs met. And we need to make sure that certain people who are trying to address those housing needs also have what they need to make the program work, which is housing vouchers and money for services.

So I want to thank you for the opportunity to share what we've been learning. We appreciate the recent introduction around -- requiring insurance companies to act in good faith, especially in natural disasters like Sandy. And as you will hear from one of the members of the panel, dealing with the insurance industry can be as difficult as anything else in this arena.

**MARY C. CHEPULIS:** My name is Mary Chepulis. I used to live on Front Street in Union Beach, New Jersey.

I had flood insurance -- \$250,000 worth of flood insurance. I never put in a claim before, I've never flooded before except for Sandy.

So when the flood happened, the next day there were no walls left, no windows left, there wasn't a shred of carpet left. My bathroom was in my kitchen. There was no landing going up to my stairs. The borough condemned my house and gave me a notice that I could not fix my house under any circumstances. It was structurally damaged and it was falling into the street.

A few weeks later my insurance adjuster -- who I have never met in my entire life, who I took half-a-day off work to see -- called me and said -- he walked into my open house and deemed it "structurally unsound and unsafe" and called his supervisor, and he left.

I had piles and piles of paperwork and e-mails with him. They forwarded me \$17,000 to demo my house or to start the rebuilding process. I could not find a place to live because of supply and demand. It took me a month to find the only two-bedroom apartment that was in the area -- for \$2,200 a month -- where we moved to after a month.

After my home was demolished by the good graces of my town -- who had gotten grants -- I was informed, two months later, that my insurance company wanted a structural engineer, and that because my home was demolished that I was at fault for having my home demolished. But I had e-mails from my insurance agent saying I could have my house demolished.

So FEMA said that since -- if you read in your handbook of your FEMA regulations, paragraph -- I could show it to you -- if water doesn't touch *this* they're not paying for *that*. So since my second floor was still standing they said they would only pay for my first floor. And they offered me \$49,000 for a home that was on the water, three-and-a-half bedrooms, two baths, and \$30,000 for elevation to fix my home.

The insurance company said that it was FEMA's fault because of their regulations, and they had to follow FEMA regulations. And FEMA says that it's my insurance company's fault because they told me I could demolish my home.

So there I sat. I wrote a letter to the President of New Jersey Manufacturers, I appealed it four times, and I finally got it up from \$49,000 to \$120,000, plus \$31,000 for elevation. Very, very difficult to build a home for \$120,000.

Then my husband -- this is my husband -- we decided that since we're older -- he's 65 and disabled -- well, you know what? We'll just build a small house. We don't need anything big; there is only the two of us, and we applied for the grants. And then we were told, "Don't put a shovel in the ground otherwise you won't get the grant." So we waited and waited, and meanwhile my mortgage is in forbearance, okay? And by the time December comes I owe them \$30,000 -- which they want. FEMA won't help me for rent because my homeowner's insurance is in forbearance. So it's a Catch-22 situation.

So we decided that we would have to take some of money out of our retirement and build a small home and go up 10 feet, so that's what we're going to do. We can't wait. The other thing is, all our lives we have

prided ourselves in having good credit. And I won't have credit come December because your mortgage can only be in forbearance for one year and then they start reporting your credit as bad. So after all these years of having good credit, our reputation is ruined -- on top of everything else -- which just really hurts and adds insult to injury.

I read in a newspaper article that Governor Cuomo sent a letter to the credit card companies and to the mortgage companies asking them to not adversely affect the credit of people who are affected by Sandy. Governor Christie did not do that. I went to his cabinet in Union Beach a few weeks ago and they knew nothing about that. I also tried to apply for more money for elevation. The woman there told me that since I did not have a structure I did not qualify for that. And I told her in the Frequently Asked Questions it says that is not true. She said, "I'm really sorry, honey, but they just threw me here and I don't really know anything about what I'm talking about." So Governor Christie sent a boatload of people to talk to people and they didn't know what they were talking about. I knew more than they did -- which is very insulting. He should be ashamed of himself for doing something like that -- totally ashamed. I've always had respect for him, but my respect went out the window because I went to his first cabinet meeting, which was months before that, and got no answers -- no answers at all. I understand that he has no jurisdiction over the Federal government, but don't send people down to tell you something that they know nothing about. It's insulting to anybody's intelligence.

I am asking my mortgage company -- because my home is not going to be worth much -- if I can do a loan modification. I don't know if that's going to happen. My neighbors are walking away because they're all

having the same issues. FEMA's telling them that "their foundations are cracked but the water didn't do that. That was ground movement." Who had ever heard of such a thing?

It's not just me; my whole town, I feel, is in this predicament of-- No one has gotten anywhere near the amount of money to rebuild that they should have. And if you had the insurance, why can't we get it?

ASSEMBLYMAN GUSCIORA: What's the status between you battling the insurance company?

MS. CHEPULIS: My insurance?

ASSEMBLYMAN GUSCIORA: You and the insurance company, yes.

MS. CHEPULIS: Okay. I appealed them, like I said, four times. They gave me a final offer of \$120,000 and said that they can't give me anymore because FEMA regulations say that if water didn't touch the second floor they can't pay for the second floor. So they will pay to fix the first floor of my home. And no one ever went upstairs. There were water marks in my ceiling.

ASSEMBLYMAN GUSCIORA: Did you avail yourself of the mediation program, or have you contacted--

MS. CHEPULIS: No, because the mediation program is only for homeowners' insurance, okay? This is flood insurance.

ASSEMBLYMAN GUSCIORA: Okay.

MS. CHEPULIS: So I couldn't avail myself of that. I wrote a letter to the Department of Banking and Insurance also. They were very helpful but they can't help me because they have no jurisdiction over that portion, okay? That's just the bottom line.

So FEMA blames the insurance company and the insurance company blames FEMA. And I went to a lawyer and there's not enough money in my case for him to take it.

So here I sit not knowing if I'm ever going to really be back in my house or have my credit ruined for the rest of my life, and not even be able-- And so that's why I'm here on behalf of myself and my town, because we're all in the same predicament.

Thank you for listening.

ASSEMBLYMAN GUSCIORA: Thank you.

SENATOR SMITH: Yes, Senator.

SENATOR BECK: Is it Mary?

MS. CHEPULIS: Yes.

SENATOR BECK: Okay. Jennifer Maier, your town--

MS. CHEPULIS: Jennifer Maier, of course. I know her very well.

SENATOR BECK: She's the Administrator, she's been wonderful.

MS. CHEPULIS: Yes, she has been.

SENATOR BECK: So a couple of things. When we're done, I'd like to get your phone number and e-mail address, and I'm happy to get involved in your case.

The \$150,000 grant -- it's up to -- and, as you know, it's for unmet need. So if the flood insurer-- If your home -- I don't know, what was your home valued at? What was the appraised--

MS. CHEPULIS: Well, it was \$340,000; before Sandy hit it was around \$230,000.

SENATOR BECK: Okay.

MS. CHEPULIS: But I applied for the RREM. I was wait-listed, okay? I was not deemed ineligible; I was just wait-listed. But I can't wait--

SENATOR BECK: Right, because the first round of money--

MS. CHEPULIS: Right.

SENATOR BECK: But there's a second round coming out, I think, as we've heard in the testimony prior to you.

MS. CHEPULIS: But I can't wait. My mortgage company is not going to wait.

SENATOR BECK: Yes, and so let me get to that.

So the New Jersey Bankers Association has been working with our residents on the issues that you've just described -- of people falling behind in their mortgage -- and have been able to advocate in a number of our cases to convince the banks not to take adverse action. So that's why I would like to get your contact information and then we can try to help you out that way. It's not a guarantee, but it's certainly something that we've been successful in some cases, some not -- depending on which bank it is. Sovereign hasn't been as great as some of the others.

MS. CHEPULIS: Ocwen.

SENATOR BECK: So if you don't mind.

And then the \$150,000 grant is for the unmet need. So if they low-balled you, if your flood insurance-- It's exactly for this purpose. If your flood insurer low-balled you at \$120,000 and your house was worth \$300,000, the \$150,000 is supposed to try to help you make up that difference. And while it's not going to make you completely whole, it will

get you closer than you would have been. So the second round of money that's coming out this month should-- Hopefully, you'll be--

MS. CHEPULIS: But the people haven't even gotten the money from the first round.

SENATOR BECK: Yes. And part of that is because they have to do the environmental study, right? So after you get approved and sign the paperwork -- the promissory note -- then they actually-- The EPA requires it; it's not a New Jersey thing. They require an environmental study is done. And then once that's completed, then they actually issue the money.

So it is a long process; but from the big picture it is that so much money was lost in Katrina; multiple billions of dollars just disappeared and people never repaired their homes. They bought flat screen TVs and they never did-- So the Federal government, unfortunately, has made New Jersey go through a lot more hoops. And it's been painful and it's been bureaucratic--

MS. CHEPULIS: But how can people wait until next spring or next summer to rebuild and hope--

SENATOR BECK: My understanding is that it won't be that long. My understanding is in October the checks will come.

MS. CHEPULIS: That's for the first round. I wouldn't even know if I would get the second round.

SENATOR BECK: Let's exchange contact information and I'll do what I can to help you out.

MS. CHEPULIS: Thank you very much.

**T O M   W A S Z K I E L E W I C Z:**   Hello. My name is Tom Waszkielewicz. I live in Sayreville on Marsh Avenue. Thank you for giving me the opportunity to speak with you.

I always said to anybody who ever asked me, "I'm in a bad situation," but here's a perfect example -- there are others who have it a lot worse.

My home is still standing. I use the word *home* loosely because to me, right now, it's just a structure, it's a building that I just happen to sleep in -- me and my two cats. It's been really strenuous. Even though my house is standing and if you look at it from the outside it doesn't look that bad-- But when people come over to check up on me to see how everything is, the inside of the lower level of the house is destroyed. I have relatives who stop by, they come in thinking, "Oh, FEMA helped you out. Everything should be good." And then they come inside and they just start crying. It's like, "How are you living like this?" I'm like, "I wouldn't call it living, but I am."

Unfortunately, as well as living in the house I'm also self-employed now and I work from home. So that environment that I am supposed to be living in, I'm also working in; which is mentally stressful as you could possibly imagine.

There was a light at the end of the tunnel when I found out about the RREM program -- about the grant, about the resettlement program and everything like that. A couple weeks prior to filling out the application I got in touch with Catholic Charities -- a wonderful woman who basically told me everything that I didn't know, what I needed to know about going forward and rebuilding my house. Once I filled out all the

necessary-- Once I got the paperwork for the RREM program I went to the office in Edison. I made multiple trips there -- four or five trips. I was told that I was approved. I was told that all my paperwork was submitted and was correct, and that I am going to go through to the first round. I'm supposed to be getting the funding. I had contractors waiting on everything and ready to go and everything like that.

That was July 29 -- was the last time I had any contact with them. At that time they told me it would be a couple weeks before somebody gets in touch with me and I would get the resettlement check for \$10,000 -- which I was not allowed to use to rebuild the house. Which to me strikes me as a little bit weird because right now the only priority I have is making my building a home. The woman actually said to me, "Take a vacation." I'm not going to take a vacation when my house is falling apart. As much as I'd love to, it's not going to happen. I'd rather use that \$10,000 to put a roof on the house because right now with every storm that comes I get rain. No matter how many tarps I have on the house, I'm getting rain in the house. It's a hard situation for anybody to be in. Like I said, I know other people have it worse, but for me everyday it's a battle just to be in that building.

I have not heard anything from the RREM program. I did make a phone call. They did state that I was supposed to get that resettlement check for \$10,000 within 10 days. It's now 49 days later and I haven't heard anything from them. I called them and the best answer was that I have to wait, there's nothing I can do. I tried to find out if the check was cut, is there a way I can find out? "No, there's really nothing we can do. You just have to wait for the phone call, you have to wait for the phone

call, you have to wait for the phone call." Nothing. In the meantime, with every day that goes by, my house is deteriorating around me.

I did not have flood insurance on the house because I was not in a flood zone. There was never any water; water was never an issue. Now, obviously, I have to get it. My homeowners insurance did not cover any of the damage from the water, which is understandable. They initially cut me a check for \$800 to repair a couple of shingles. Later on I found out from a public adjustor that there was nearly, I think it was, \$40,000 to \$50,000 worth of roof and exterior damage to the house that was affected by the home shaking and shifting from the wind and everything like that. I lost all contact with the insurance company and it got to the point where I had to hire an attorney and hire public adjustors to get estimates on my own to find out how much the damage is; this, that, and the other thing.

So that's where I am as far as homeowners insurance. My lawyer said that this could take anywhere between six weeks to six years before I see any funding from the insurance company to do that.

Like I said, I'm self-employed; I work very hard even in the circumstances that I'm working in, in the building. I would love to start working on the inside of the house but I can't because I don't know, with every rainstorm, I don't know which way the water is going to come in. The brief shower that we got yesterday -- I got a surprise puddle in the living room. So like I said, I'm in a building; I'm not in a home. And with the RREM program I thought it was an opportunity to rebuild my building so I can make it a home. But as of right now, I just feel like the RREM program right now is just letting me down, just like any other organization has up until this point.

Thank you.

ASSEMBLYWOMAN SPENCER: Thank you.

M A R I A M A I O: Good evening and thank you for this opportunity. And may I recognize Senator Cunningham and Assemblyman Mainor for all the efforts and all their support for public housing programs.

Back in October--

SENATOR SMITH: Could you introduce yourself?

MS. MAIO: Oh, I'm sorry. I thought you knew who I was. Maria Maio; I'm the Executive Director of the Jersey City Housing Authority.

Back in October, the Jersey City Housing Authority, along with other housing authorities throughout the country, were facing continuing cuts to the Federal program, including operating and capital; and sequester -- the famous sequester was also happening. So then we had Sandy -- and not to make a pun, but that was a perfect storm for us. Anything that was problematic in the issues we had in our public housing were exacerbated by Hurricane Sandy to the point that in November, right after Sandy, Shaun Donovan, the HUD Secretary, came and actually looked at our site, particularly Booker T. Washington which was the hardest hit development that we have. It houses 300 families, and even today this notion that somehow mold and mildew stops at a certain point and repairs stop at a certain point is not true. Only last week we continued to see how the water is seeping into the buildings, crawling, aggravating the mold and mildew again to the point where we now have to transfer families out of those units because we cannot repair these units. They require new roofs, tuck pointing, and not the kind of funding that we have.

So I appreciated what Senator Smith -- what you said. What did we do right, what did we not do right? You know what wasn't so right? So I have a tale of two application processes: One was, as Arnold indicated, for the tax credit round. And incorporating the CDBG-DR funds. We were very fortunate this year -- it's ironic to say *fortunate* -- but because we were impacted by Sandy we received a preference for tax credit and we were, this year, able to get an unprecedented three tax credit applications to create beautiful, new, affordable housing. Unfortunately, the CDBG application that was targeted -- that is targeted -- for federally assisted program has not been as successful. I'm sitting here and listening to homeowners and the process they have to go through. And I'm a bureaucrat -- I've been doing this for a long time -- and it's frustrating for me. So I can't imagine what it means for somebody who doesn't understand the system. Because honestly, I don't understand the system because no one has said exactly what is it that we as a housing authority have to do in order to get an application in. All I know is every week I get another letter from HFMA -- and as I said, I'll give them accolades for how they're able to get the tax credit money out immediately. They treated the CDBG application as a tax credit application. It is not a tax credit application. And because they are doing it and-- As Arnold indicated, we are the only housing authority to my knowledge that has even submitted an application. And that's only because we have had experience with tax credit applications. My colleagues -- they're smaller than we are, or who don't have the funds to hire a consultant -- are not able to submit an application; and probably are in a lot of instances -- particularly I will mention Carteret -- probably in worse condition than we are. So although I am speaking for the Jersey City

Housing Authority, I do want you to know that it is not limited to us; that, in fact, this is something that is happening to the other bureaucratic organizations in the city that do not have the wherewithal.

Our insurance -- we had a very high deductible because, obviously, we don't have the funds to have a lower deductible. FEMA has been helpful but not in every area. There are a lot of things that we had, like overtime -- you don't -- Overtime doesn't count. Or it's only over -- Excuse me, overtime counts but if the guys were working -- if our staff was working during the day to clean up, that doesn't count. Well, it doesn't make sense to me, because if they weren't working on debris removal they would have been working in the apartments trying to fix them up.

So there are a lot of inconsistencies. We were very optimistic when the Federal government targeted public housing, and I appreciate what the Senator said. I think you're right on target there. We are now the victims of Katrina. You know what happened to public housing in New Orleans, and how poor people were displaced and how that has not come back at this point. And so now -- So that's why I believe the Federal government said, "Let's make sure that public housing and federally assisted housing -- not just limited public housing -- is taken care of." So we were very optimistic when the Federal register came in.

When the action plan came in, there were a number of things -- consultation with housing authorities. We were consulted after the action plan comments were submitted. We were told we were going to have more consultation; we didn't. We had to be very aggressive. Talking to HFMA to say, "When are the applications coming out?" What we were told is, "Oh, well, just submit form -- the uniform application for tax credits." And,

again, when we said that to our colleagues, they didn't know what we were talking about. There has been no transparency. You know, I'm a great believer -- you tell me what the rules are and I will do my best to follow them. But I don't even believe that HFMA knows what the rules are, because they keep changing. And it is a moving target. And we are now probably on month two of having submitted an application. And I'll have another phone call on Thursday, we'll have another hour conversation, and it will go nowhere. We have said to HUD that we really need a sit-down with HFMA. If that's something that this Committee could facilitate -- thank you very much. That would be very helpful to us, because I think we need that kind of communication.

Thank you so much for coming; thank you.

SENATOR SMITH: You're represented by one of our strongest State Senators. I'm sure that Senator Cunningham has made a note of that.

SENATOR BECK: And finest.

SENATOR SMITH: And finest -- strongest and finest, and whatever adjectives we want to add. But I'm sure she's taken up the challenge and we'll try to get everybody in the same room on that issue.

MS. MAIO: Thank you.

SENATOR CUNNINGHAM: I'll make a phone call tomorrow morning.

MS. MAIO: Thank you, Senator.

SENATOR SMITH: That's great.

ASSEMBLYWOMAN SPENCER: Assemblywoman Schepisi.

ASSEMBLYWOMAN SCHEPISI: I do have one quick question because I've actually worked in conjunction with Bergen County Housing Authority -- with some of their HMFA applications that they have been doing in conjunction with Catholic Charities, Domus, and some other organizations. And I have to agree with you: I mean, the bureaucracy involved with some of these programs is very difficult to navigate through.

My question is with the current issues with HFMA. Do you think that's being driven by some of the Federal guidelines as being promulgated downward, or do you think that HFMA, in your experience, is just setting regulations that nobody's quite sure what's going on?

MS. MAIO: Well, this is where we get to the finger pointing. Because when I-- One of the issues was mitigation. What is the definition of mitigation? For us, they tell us that if you've had a generator and you just want -- and it's a small generator-- This is the example. You had a small generator and want a larger generator, that's mitigation. Well, what if you didn't have a generator? "Oh, no, we can't--" When I talked to HUD, HUD said, "Of course that's mitigation." Because it's something that you'll need, God forbid, this happens again. So it's a definition, it's what's the focus.

Now, HUD is telling us that in the second round they're going to, hopefully, fix some of these things. I don't know; I've been around a long time. Maybe I'm from Hudson County, I'm a little cynical. Either way, I guess we need a little push some places. And so I wish I could answer your question. You know what? Let me just say this. I think HFMA knows how to do a tax credit application. I think they're now doing a CDBG application -- and it's the round hole in the square peg, and "let's

just treat it as a tax credit application." And it shouldn't be treated that way.

ASSEMBLYWOMAN SCHEPISI: I'm not sticking up for HFMA. I do know in the past year, and as you guys are aware, with some of the Federal programs that have gone away -- 202 Housing, that type of stuff -- the application deadlines have been changing with very little notice. It's made it a frustrating process for, I'm sure, a lot of people, including HFMA. I know there were applications that we were helping facilitate where we thought it was a month out and all of a sudden we got a phone call, "Well, actually, the deadline is in three weeks."

MS. MAIO: Right.

ASSEMBLYWOMAN SCHEPISI: So I think you have a lot of people up here who are willing to facilitate. Reach out to us and we'll try and help.

MS. MAIO: Well, one of the things we did say to HUD, but fell on deaf ears, you know, each locale-- I can speak about Jersey City CDBG program. They do a terrific job. They know what the rules are; they will follow the rules. Maybe it would have been more expeditious if that had been done on a locale level. Now, I understand the money was given to the State. It is what it is. But maybe some of it should have been given to the communities to give out. I don't know. I'm not saying it would have been less bureaucratic -- it would have been bureaucratic, but the person would be standing in front of me and we could have a conversation and get it straightened out.

SENATOR CUNNINGHAM: Through the Chair.

SENATOR SMITH: Yes, Senator Cunningham.

SENATOR CUNNINGHAM: Maria, I just want to ask you one question. One, I will call Chuck (indiscernible) tomorrow and call you.

But I was just down at Booker T. last week and I saw a lot of the damage that is still there. It looks like a lot of things have still not been done. I'm concerned about the families you talked about displacing. What happened to those families and where were they taken?

MS. MAIO: Well, right now we just try to fix because-- Either they go to another site or if there's another unit there at Booker T. that we can fix up. I don't have to tell you, the mold and mildew, especially with some of our residents who have very bad asthma, respiratory-- We can't let them stay in the apartment. So right now we've been able to accommodate them.

SENATOR CUNNINGHAM: How many of them have you displaced?

MS. MAIO: There are at least three or four since after Sandy. I mean, this is the last couple of weeks. I don't know if it's just the rain or whatever. And again, that's the other issue. It seems like, well, here's the end date when you have to apply. And anything that happens after that doesn't count. Well, that's not how-- Mother Nature doesn't work that way, so that's another concern.

SENATOR CUNNINGHAM: What happened with Montgomery Gardens?

MS. MAIO: Nothing.

SENATOR CUNNINGHAM: Nothing? That's interesting.

MS. MAIO: Oddly enough, nothing. They had a huge generator. They actually had this huge generator system, and nothing

happened there. They actually had electricity and power the whole time. That was the only one of our developments that actually had power.

SENATOR CUNNINGHAM: Okay, thank you.

SENATOR SMITH: Thank you for your-- Oh, I'm sorry.

ASSEMBLYWOMAN SPENCER: Assemblyman Ramos, do you have a question?

ASSEMBLYMAN RAMOS: How many units were affected in Booker T.?

MS. MAIO: Three hundred.

ASSEMBLYMAN RAMOS: Where they are, like, currently off line? So you have 300 units that are off-line right now?

MS. MAIO: No, no, no. They're still on-line, Assemblyman; they're still on-line. We were fortunate.

ASSEMBLYMAN RAMOS: People are living in those units?

MS. MAIO: Yes, yes. Everybody's-- Yes, yes. Nobody had to be relocated from the units.

ASSEMBLYMAN RAMOS: All during-- Okay.

MS. MAIO: But we had just-- For instance, we had just put in a new boiler under an Energy Performance Contract, and now the boilers have to be replaced. What we will find, though, is we may have to vacate first floors as part of a mitigation recourse and put the boilers, now, on the second floor -- on the first floor, as opposed to in the basements. We can't have anything in the basements now.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Our next witness, Reverend Eric Dobson of Fair Share Housing Center.

Reverend, welcome.

**REVEREND ERIC DOBSON:** Thank you.

My name is Reverend Eric Dobson. I work for Fair Share Housing Center. I just want to thank you all for having this meeting. I appreciate the courage and the opportunity to talk about, or to deal with, or to discuss how the State is doing.

If I can begin with a quote from A. Phillip Randolph. "The community is democratic only when the humblest and the weakest person can enjoy the highest civil, economic, and social rights that the biggest and the most powerful possess." That statement kind of classifies what the Fair Share Housing Center does. We work to ensure that the humblest and the weakest of New Jersey gets the opportunity to enjoy the benefits of living in a democratic society.

Not long ago we were involved in Hurricane Sandy through our work through the Mount Laurel Doctrine, getting calls each day. Each week we get calls, contacted by families impacted by Sandy and organizations seeking to help these families, complaining about their inability to understand the process by which they gain access to the funds that are through the CDBG disaster recovery resources. They're trying to find ways and trying to get understanding from the State about what is the process; how does the State or how does DCA determine whether they are granted funds or denied or put on a waiting list. Each day they get calls from families, story after story, telling us they were denied, they don't understand why they were denied, they met all the requirements that they thought they were supposed to meet and those requests are denied.

Not long ago, back on July 31, the Fair Share Housing Center requested, under the Open Public Records Act, from the DCA to give us some explanation of how they are -- how they are doing this process; how do they determine who is getting denied, who is put on the waiting list, who is getting access to these funds. And on August 9-- DCA had until August 9 to respond to our request. On August 5, the DCA requested a 30-day extension, to September 5. As of September 10 -- five days after expiration of the State-requested extension -- the DCA had not provided any records to the Fair Share Housing Center. On September 10, 32 days after expiration of the statutory Open Public Records Act reply, the Fair Share Housing Center sent an e-mail to the DCA demanding they produce these records and documents. The DCA responded, stating that they would deliver these records by September 20, 2013. September 20 will put it at 51 days after the original request that we had sent, which the statute requires 7 business days to provide the records per the Open Public Records Act.

We have given DCA plenty of time to explain to us and to provide information, manuals, documentation of why and how they are evaluating the process, how they are putting people on the waiting list, how are they denying people who are requesting these funds. And, to this day, we have not received anything. Therefore, Fair Share Housing Center has filed a complaint with the Superior Court of New Jersey regarding the Open Public Records Act. And we will continue to update you on how that process is moving and what's going on.

So the issue of transparency is totally absent in New Jersey. We hear that word from the Administration constantly, "We're going to be

transparent." But there is no transparency when it comes to people getting an understanding of why they were denied, why they were put on a waiting list, how did they determine that. So from our standpoint there is no transparency. And I'm glad you guys are having these hearings when it comes to what's happening with people and families who are, as you heard up here a few moments ago, devastated trying to put their lives back together. And they are told that their requests, or their denial in the appeal process, is going to go through the same agency that denied them.

ASSEMBLYWOMAN SPENCER: Now, DCA has indicated that they're going to provide you with those documents by September 20 -- is that not correct?

REVEREND DOBSON: They said -- they have, but they said that back on August 9 when they requested an extension and gave the extension, requested more information. So their record -- their track record is very alarming. We're talking by the 20th it will be 51 days; and by the statute it's supposed to be 7 business days you're supposed to reply. So we can't determine or have an analysis of how this thing is doing when we're not getting the information that's needed.

ASSEMBLYWOMAN SPENCER: Okay.

SENATOR BECK: Chair, could I please?

SENATOR SMITH: Senator.

SENATOR BECK: So I am a little confused, because it has been made clear to residents that I've been dealing with as to what the criteria are. You have to be a primary resident -- it has to be a primary residence; you have to be substantially damaged -- number two, right? You have to actually have an unmet need. So if your flood insurance covered all

the damage, then you don't qualify for the grants; and you can't be in foreclosure, because at that moment in time you don't have title to that property -- the bank does. So those are the rough outlines. They had a lot more applications come in than there is money in the first round, as you probably know. So not everybody will get the grant in the first round, because there's simply not enough money for everybody -- will have to wait for the second round of money. All the applications that met those criteria were randomized, meaning that just because you got your application in first doesn't mean that you were the first one to get the grant. It was randomly mixed up and then they took the first whatever it was -- 3,000 -- that were qualified and said, "You qualify and you've got to go sign the promissory note and bring certain documents."

The other people who qualified, but they don't have enough money to fund yet, will be funded in the second round and they're on the waiting list. And those who are denied are denied either because they were not substantially damaged and they alleged they were or, don't forget, there's an income criteria. So if you make more than \$250,000 a year, you don't qualify. And if you can't provide your income taxes for 2012 and show that you made less than that-- And then don't forget, 70 percent of the money has to go to low- and moderate-income people. So only 30 percent can go to those who make more. And in Monmouth County, I guess, it's more than \$60,000 a year. So that's-- To me, it has never been unclear.

My question to you is, what documents are you seeking? I will have a real problem if you're seeking people's individual information about their income tax forms, their Social Security numbers, their insurance

policies. I think that's private information that should not be out in the public.

SENATOR SMITH: What did you request?

REVEREND DOBSON: Well, let me say this. We're confused, too. Because some of the things that you said, those people have met those requirements and they have still been denied. So some of the requests that were made are: What are the manuals that the Housing Recovery Center is using to determine who is getting money and who is not? What training have they received? Are these people housing specialists? Who are these people? Have they been trained efficiently in making determinations based upon--

SENATOR BECK: They have all been trained. They've all gone through training. I mean, I've been to the Freehold center. They are highly trained people. And if they are denied and they are-- For example, I have had a bunch of people come to my office and say, "I was substantially damaged" right? In their minds, their houses-- But it's the municipality that certifies whether you're substantially damaged, and you have to provide the letter from the municipality that says that more than 50 percent of your assessed value was lost. So just because-- You know, sometimes people will come to you and assert those things, but it is not the determination that's been made by the town. And DCA will actually go to the municipality and make sure that that document is there.

REVEREND DOBSON: We've had people who have requested DCA to come out, who have met those requirements, and have still been denied. We have countless stories and, in fact, the DCA -- you mentioned 70 percent of the resources have to go to low- and moderate-

income individuals. You are correct. DCA themselves -- Commissioner Constable has said himself only 40 percent of those resources have gone to low- and moderate-income. So they have already admitted that only 40 percent has gone to low- and moderate-income, when 70 percent is required. So we're trying to get an understanding--

SENATOR SMITH: Yes, I think the problem is that people who are trying to -- who may be eligible for these programs need to understand the reason why they were denied.

REVEREND DOBSON: Right.

SENATOR SMITH: Listen, even if it was a check-off letter--

SENATOR BECK: Right.

SENATOR SMITH: --that said "application is incomplete" or "the damage was not excessive enough to meet the criteria." But I think the problem is that if you have all of these thousands of individuals who have been denied, there is no reason why they were denied, you cannot help as a citizen but say, "What's going on? This is the star chamber. There's no rationale for it." And if you get a letter saying, "The reason that you are denied is incomplete information," then you find out what the missing information is and you reapply. Or if you find out that the town doesn't say you're substantially damaged, you go back to the township and say, "Why did you come to that conclusion?" But I think everybody who makes this application-- Everybody's been terribly impacted by the storm, but to then face government with possible eligible programs and to not get an answer -- just that you're denied and there's no reason for it -- I mean, that part of your case, seems to me, right on target. Our citizens deserve better treatment than that.

REVEREND DOBSON: Well, quite frankly, Senator, just a request to get those documents -- it's the law, it's a statute, the Open Public Records Act is there. And we've repeatedly been put off.

SENATOR SMITH: You're not asking for the personal information--

SENATOR BECK: You're not asking for-- You just want to know why they're denied.

REVEREND DOBSON: We're a public interest law firm.

SENATOR BECK: So Tom Smith was denied; he was denied because of *X* -- that's what you're looking for.

REVEREND DOBSON: Absolutely. We are a public interest law firm. We know exactly that we don't-- We're not requesting any personal information. I mean, that's what we do.

SENATOR SMITH: Right. And I think it's a shame on us -- us as State government -- that when someone is denied, we're not saying why. And it could be as simple as a check-off sheet. "Here's the items you are missing, here's what you have to do." It doesn't have to be some elaborate, expensive, bureaucratic time, but the people should at least know the reason they were denied -- even if it's general.

ASSEMBLYWOMAN SPENCER: At our last hearing, did we not have a woman come before us who testified that that she was denied after having a conversation with Commissioner Constable that everything was fine? And then, later on, she receives a letter saying that she was denied and she had no clarification as to why she was denied. And certainly I think you raised a valuable point in trying to obtain information which will give us a basis to determine whether or not the funding is being

distributed in a way that is fair across the State of New Jersey -- whether the applicants are selected randomly or not, there is still an assessment that needs to be made to ensure that these funds are being distributed. Because when you look at the grants that have been distributed across the State, when you look at the monies that have been distributed, you will find overwhelmingly that a lot of the grants are going to homes that are along the shore. And, yes, they were more devastated, but percentage-wise there should be just as many coming to those areas in the northern part of the state that suffered as well.

When we go back to towns like Moonachie and Little Ferry and the Ironbound section of the City of Newark, Carteret, Perth Amboy, Sayreville -- these are towns that were devastated and lives were turned over. And if these families are not receiving an application that tells them why they have been denied, and they have no understanding as to why they're being denied, then certainly an organization such as yours seeking that information can help clarify and give them the right direction.

SENATOR BECK: I agree with you, Chairwoman. You should certainly be able to know why you're denied. There's no question-- I just-- I was-- There's no debate over that. I thought you were trying to find out people's personal data.

REVEREND DOBSON: Absolutely not.

SENATOR BECK: No, I agree with you. You certainly should get some explanation. And, frankly, to me all this is being -- a lot of it is being done online. You could even be able to log on and see the reason. If it's that you're not substantially damaged, why can't they just say, "You weren't substantially damaged."

REVEREND DOBSON: Again, they're not providing the reasons. That's why we filed the Open Public--

SENATOR BECK: Yes, I think that's pretty basic.

ASSEMBLYMAN GUSCIORA: Is it possible that we can get a copy of your request? Because this is frustrating, and this is why people hate government. This isn't Soviet space secrets where we have to have such a cloud of cover. So I'd be interested in seeing your request, and I will think that this Committee would also forward it so that we can do a better job in the future requesting the same information.

REVEREND DOBSON: Absolutely. I'll provide you with our request for a statement, and we'll have all that information for you. And, again, it's just public information that we're not getting.

ASSEMBLYWOMAN SPENCER: Certainly. Thank you.

Next up, we have Drew Curtis from the Ironbound Community Corporation, along with Angel Mejia.

DREW CURTIS: Good evening.

ASSEMBLYWOMAN SPENCER: Thank you and welcome.

Understand that the large microphone is for amplification, the smaller ones are recording. So when you speak make sure you have both of them so that--

MR. CURTIS: Speak to both -- understood. Thank you.

And thank you for hosting us this evening and being open to constructive feedback on helping more people recover from the storm.

My name is Drew Curtis. I get to serve as Community Development Manager for Ironbound Community Corporation in Newark, New Jersey. And as in many communities in our State, Sandy overwhelmed

the eastern section of the Ironbound with 8 to 10 foot flood surges from the Superfund site -- the Passaic River -- and up from Newark Bay. This part of the neighborhood is commonly referred to as *The Island*, a distinct neighborhood on the bank of the Passaic River that includes heavy industry, Superfund and Brownfield sites, low-income housing projects, undocumented residents, and working class homes and small businesses.

ICC has been on the ground really working closely with the community in repairing, through emergency services right after the storm; extensive outreach to assess impacts and needs; assisting homeowners and renters and small businesses in clean up, muck outs, and repairs. And then, still today, we're working on ongoing case management with financial, legal, and housing services, as well as coordinating with representatives from different agencies such as FEMA and the CDBG-DR applications.

However, unfortunately, the flow of these resources has been slow and limited. Of the four RREM grants approved in Essex County, all of them are in the Ironbound, in this neighborhood, but not one of the homeowners have been able to have their home repaired yet.

And beyond these direct services, we are extremely concerned regarding the environmental and public health impacts in the neighborhood because of, as I said, how much industry and contamination there is in the neighborhood.

Some quick examples: Passaic Valley Sewage Commission is one of the largest treatment plants in the country. It took on billions of dollars of damages and released over 500,000,000 gallons a day of raw sewage into Newark Bay and New York Harbor. Covanta, the state's largest garbage incinerator, was collecting 14,000 tons of garbage but not operating

for several days after the storm. And smaller companies that were located right in a residential area hit by the storm surge flooded basements with this contamination, too.

So with this environment there a couple of key areas we would like to see addressed by the State -- one being better communication between different levels of government and the community so real assessment can happen. Transparency, timeliness, and accountability in dispersing relief programs so residents and small business owners can get the help they desperately need. And we need to establish protocols to reduce toxic hazards in the wake of storms. DEP should create a process to expedite and prioritize the removal of toxic substances and household hazardous waste, and remove the floodwaters that contain chemicals and oil. And lastly, we should fully implement the Federal Sandy Task Force recommendations in our communities.

So once again, I appreciate your time in assessing the impacts of Sandy and hearing about some gaps that exist right now.

I would like to turn it over now to a resident who represents one of the hundreds of affected families in the Ironbound -- Angel Mejia.

**A N G E L W. M E J I A:** Good evening, everyone. My name is Angel Mejia; here is my wife, Erica. We have three wonderful kids age 17, 10, and 20 months.

We bought a house five years ago as first-time homeowners. On October 29, 2012, the life of many Newark residents dramatically changed because of the Hurricane Sandy. My house is located on Waydell Street in the Ironbound section of Newark -- one of the streets most heavily

impacted by the flooding when the Newark Bay and Passaic River surged due to the storm.

My home was flooded and damaged as a result of Hurricane Sandy. It will be a year next month and I think that it was yesterday. I remember that night that we went home and the kids were ready to go to bed around 8 p.m. A tree from the street fell over the house and a few minutes later the street started flooding and water started coming into the basement. The lights went off.

The foundation of my house collapsed, and our home was deemed unsafe by the City of Newark. Since that day our lives totally changed. We didn't know what to do, where to go, and my wife saw a flyer that someone left on the side of my house where they were offering help to victims of Hurricane Sandy. My wife went to this organization called Ironbound Community Corporation to search for help. And they were very helpful -- economic and morale help.

We wouldn't know what to do if this organization didn't exist, because they are still helping us. They gave us Pathmark gift cards to eat, and pampers for my younger child. ICC also helped us with rent money as we continue to pay the mortgage on our home. The ICC is also helping us seek help (indiscernible) to build the house, such as applying for and working with the new and stronger New Jersey grant.

We received their settlement grant, but we are still waiting for RREM grant and we are unable to move back into our house. At this moment, we are still suffering because it's not nice to be out of your house. And we're waiting for the-- The biggest problem that we have in the last

week -- I can say in the last month -- was to get the letter, the floodplain letter. And this week we're working on it.

Thank you.

ASSEMBLYWOMAN SPENCER: Certainly. I had a chance to speak with Drew before we began, and I'll continue to talk with him so that, if there's something that needs to get done in order to facilitate the process, if you're meeting some kind of red tape and we need to get clarification on where you are -- and certainly my office can help you to receive that information.

And some of the things that Drew brought up with regards to Passaic Valley and Covanta-- Unfortunately right now, with Passaic Valley Sewage Commission -- there's only one Commissioner sitting and a lot of decisions which need to be made are not being made. And unfortunately-- There are things that are happening in our community that we are fighting hard to change -- and one of them includes that facility, as well as Covanta -- and how things are happening as far as how they respond in situations such as a Superstorm Sandy. Because it was unacceptable the way garbage and other environmentally hazardous materials escaped into our community and there was no back-up plan.

MR. CURTIS: Absolutely. Thank you so much for your work.

SENATOR SMITH: Thank you for your comments. Thank you.

Jeff Tittel, New Jersey Sierra Club.

J E F F T I T T E L: Thank you for having a hearing.

And I think it's important, and hopefully after the election you can get down to the business of what needs to get changed in the State in

dealing with the storm. And I know tonight is trying to deal with what's happened in the urban areas. I think part of what people forget -- because everybody thinks of Seaside and the coast -- but many of the urban areas in New Jersey are just as vulnerable and, in some ways, even more vulnerable to storm surges and sea level rise.

And not only is it tougher to deal with some of those problems, it's also harder to get action because so much of the focus has been along the coast. When you look at places like Hoboken and Jersey City with the wave of water that came across the barrier, what people don't realize is that the area we're sitting in -- a lot of it -- is landfill. Parts of Hoboken and Jersey City are actually below sea level because the land subsided over the years; and so there are some serious problems when it comes to dealing with what's been happening in the region with sea level rising storm surges, because it also combines sewer overflow -- which is a major problem -- because every time there's a heavy rain these areas flood. And there are health hazards. You know, you heard a little bit in the Ironbound, but the same thing happened here. A wall of water 4-to-6 feet high went right through Hoboken and ended up in Madison Avenue in the western side of town and flooded quite a bit of neighborhoods.

But the difference is down along the coast we can elevate. You can retreat, you can build dunes. It's very different, that strategy, in an urban area -- one, because you have a built community and you're not going to be able to do a lot of those things. But there are certain things you can do, and there are some things that this Legislature can do. And I think it should be part of an ongoing process, not just one hearing. We need to really get to work on some of it.

But for instance, if you want to deal with some of the flooding and stormwater issues, having green and blue roofs for all new construction would do a lot to help deal with some of the stormwater issues and flooding issues; and try to do programs to retrofit. Philadelphia is doing a really good job at that and so is the city of Chicago.

Besides that, when it comes to the strategy of dealing with the flooding, seawalls aren't going to work because one town's seawall is the next town's bigger flood. But there are certain things that you can do as far as hardening structures. Having people living in basement apartments in flood-prone areas is really dangerous; there needs to be better warning systems or not allowing that. There are also things you can do where you can put curtains around buildings that are made out of steel, and they can wrap the building and keep the flood waters out.

Unfortunately, that's not enough. You also need to look at flood strategies where you need to look at places to bring that flood water. One thing that people don't realize -- because the PATH system and the tunnels all got flooded -- if the tunnels going into New York did not get flooded, if they were hardened, the flood waters would have been two feet high in Hoboken, Jersey City, and lower Manhattan, because billions of gallons of water actually went into those tunnels. And so part of the strategy has to be to look for flood storage areas. Parks make a very good place for it. Places like Liberty State Park -- although you've got toxic issues in certain parts of that park -- and other areas along the waterfront where you can try to design parks as far as flood storage. A lot of cities are doing that more and more, where they actually have a combination of storm basin and-- The city of Los Angeles did that in the valley where they have the

Sepulveda Recreation Area. It's a one-square-mile park that's actually a flood storage area. You know, basketball hoops can go under water and it's no big deal, but it's green space. And I think that's part of it.

The other part I think we really need to look at, as far as solutions, is on the energy side. And you could spend a whole day on it. Right now-- And I think this Committee needs to -- especially in the Senate side where you do energy -- but in the Assembly, I think Assemblyman Chivukula's Committee needs to take a look at it. There are proposals right now -- PSE&G is looking to spend \$4 billion. I was just at that hearing before I came here. But they're not tying it to distributive generation, energy efficiency, smart grid, or any of those key pieces to help make the state more resilient. And I'll use an example of why it's so important. I was hoping someone from Bayonne would be here; but we work under Mayor Doria with the Bayonne schools and Bayonne puts solar in all their schools. And their schools also work as emergency shelters. What happened in Bayonne was that there was not a lot of fuel -- you couldn't get fuel deliveries in because of the floodwaters. But because they had solar they were able to keep their generators off during the daytime and use the solar power to keep the electric going in their shelters and in their buildings. The Federal government under FERC -- and also now the PGM, which is the regional grid -- now thinks that battery backup systems for solar is an important part of emergency response. So what we need to do is meld the green infrastructure and green technology in with the resilience that we want to build in. So solar-- And again I'll use the distributive generation. If you have solar fields around the state, a lot of them can't even be tied into the local grid, which is something I think we need to change. But just

to have power during part of a day to run your refrigerator or recharge your cell phone is a lot better than being in the dark. So tying clean energy and distributive generation into that will not only create jobs and lower greenhouse gasses, but also help, I think, protect against the next blackout which will come again. You know, it's hubris to think that we're stronger than the storm. We're not; we're never stronger than nature, and we're never going to be stronger than the next storm. It's how we deal with this storm and how we move forward.

One of the other major issues for us is, I think, the need for oversight to find out what's happening that's good and what's bad. And someone from Passaic Valley or someone from the Ironbound talked about Passaic Valley. I had heard from workers in Passaic Valley that there was no one around, because of all the changes that happened there, to make the decisions to shut it down in time. Whether that's true or not -- those kinds of investigations need to happen.

The DEP did not allow EPA to come into New Jersey to do toxic waste pickup or oversight during Sandy because EPA only comes in when the State allows it. Our DEP did not allow it. In New York they ran more than a dozen toxic pickups. We don't know what happened in New Jersey. We'll know in a few months when NOAA comes back with some of their studies on toxins that they're doing around the Bayshore where they've been out testing. But we don't know. And I think those are the kinds of answers that this Committee should get at. We have 118 Superfund sites; how many of them were flooded? We have 10,000 major toxic sites in this state; what are the conditions of the caps? The 10,000 sites that I'm mentioning are 10,000 cap sites, versus those that aren't even

capped. What happened? You know, you heard people in the Ironbound section and other parts of New Jersey where those floodwaters came rushing in with that toxic goo -- raw sewage and everything from household chemicals to industrial. And, again, we don't really know. And there's been very little oversight and very little looking into what's happening. Every time we hear about the clean-up contracts, it seems to be one new problem after another. But do we know, were these sites really cleaned up? Were there piles of garbage left in place, were chemicals leaked into the groundwater, especially along the coast and some of the sandy soil areas along Barnegat Bay?

And I just wanted to-- And I think the other big part that's been missing is we have no vision for the future of this State. There's no plan to say how we're going to rebuild the coast. We keep talking about we want New Jersey to be strong, we want the New Jersey comeback, we want to be resilient. But every town is doing whatever towns do when there's no coordination between the towns. One town wants to put in a seawall; the town next to it is objecting. For instance, I got contacted last week by the Weather Channel. They wanted to find someone who was rebuilding their home down the shore using green building techniques. It took me a while and I found one person, and they lived in Philadelphia and it was a summer house. Because we're not requiring it, even though the Feds say we should.

The CDBG program actually came out with -- and I'm on the task force -- came out with some pretty strong recommendations for green infrastructure, for energy efficiency; and for the word *climate change*, which seems to be missing out of the State government right now. And I think

unless we really look at climate change and we really look at how to make our state more resilient, we're going to fail.

And in going back to oversight, we just saw this tragedy this week with Seaside. As they're trying to come back, they had this terrible fire. And I'm reading in the account there wasn't enough water pressure -- not only for the firefighters but for the few buildings that had sprinklers. Why not? They just got a new plumbing system put in. And I think that's part of the problem. When you waive environmental criteria and oversight, when you're in a rush to rebuild -- and there's many reasons to try to rush to rebuild -- but when you take the DEP out of that process, well, maybe-- Because we know that the water supply in New Jersey is supposed to be sized to fight fire. That's in the DEP water supply regulations. Yet, somehow, we put a pipe back in the ground where we didn't size it enough to fight fires, even though it's supposed to be one of the major criteria in sizing a water system.

And I think that's why, yes, we need to make things more efficient. But this attack always on red tape and the attack on government -- when you have a disaster like Sandy you need government, you need government to work properly. But you also need to make sure that government is part of it and is doing its job so that when you're rebuilding stores along the boardwalk, that there are firewalls in between the buildings and that they have sprinkler systems. Many of the older buildings don't. This is your chance to fix it.

You know, in some ways Sandy was this terrible storm and it caused all this devastation. But it's also a chance to help fix some of the mistakes of the past. And right now, the concern I have is that we're not

fixing the mistakes of the past. We have this nostalgic view that we can go back to how it was. We can't. And if we try to go back to how it was, we're not going to be doing our job, whether as a legislator or Governor or as a citizen, because we will not be prepared for the next storm. And the devastation could be a lot worse and there may not be a Federal government there to bail us out.

Thank you.

ASSEMBLYWOMAN SPENCER: Thank you.

ASSEMBLYMAN GUSCIORA: Jeff, I have a question.

Has the Sierra Club taken a position on this controversy over easements and the dunes down the shore?

MR. TITTEL: We think that dunes are important in that, again, the State of New Jersey should be requiring dunes, as well as better public access since we're paying for a lot of this.

One of the, I think, scandals that I see out there is that the Army Corps north of the Manasquan Inlet is not requiring dunes. So places like Asbury Park are not putting dunes in; Belmar has these little piles that aren't really dunes and aren't going to function. And I think that dunes should be required. They're not going to solve all our problems. The main purpose of a dune versus a seawall is that a dune absorbs energy and disperses it, and so it helps take some of the energy out of that storm. But it also helps hold the beach and we're paying-- We're going to be spending billions of dollars pumping sand back on the beach. Well, a beach without a dune erodes probably 30 percent faster than a beach with a dune. So I think dunes are important. And I think the Legislature needs to help deal with that and a lot of other issues -- from planning, to buy outs, to restoring

natural systems like wetlands. You know, luckily The Meadowlands absorbed a lot of floodwater, but we keep going in The Meadowlands every year a little bit and a little bit and a little bit, and pretty soon it won't be absorbing the floodwater.

So there's a lot that I think this Legislature could do. And you have a lot of good bills that you put in. But you have to get them moving because time's running out.

ASSEMBLYWOMAN SPENCER: Thank you.

ASSEMBLYMAN GUSCIORA: If you could give us your top five.

MR. TITTEL: They may have been-- (indiscernible) got endorsed, but they're (indiscernible).

ASSEMBLYMAN GUSCIORA: We'll work on it.

ASSEMBLYWOMAN SPENCER: Next up, Ms. Mary Horezga.

MARY HOREZGA: Horezga (indicating pronunciation).

ASSEMBLYWOMAN SPENCER: How do you say it again, please?

MS. HOREZGA: Horezga.

ASSEMBLYWOMAN SPENCER: Horezga.

MS. HOREZGA: Horezga.

ASSEMBLYWOMAN SPENCER: Horezga. Come on up.

MS. HOREZGA: Thank you.

ASSEMBLYWOMAN SPENCER: You're welcome.

MS. HOREZGA: It's very good to be here tonight, and thank you for being here for all of the people like myself.

My name is Mary Horezga. I live on Rosewell Street in South Amboy, New Jersey, known as the Gateway to the Shore. We are the first town on the Jersey Shore as you come over the bridge between Perth Amboy and South Amboy and Sayreville.

I'm a native New Yorker who moved to New Jersey 33 years ago after getting married, to raise a family. I buried my husband in 2000 after he passed away from cancer. I have five grown children who work and live in this state.

I'm a proud resident here and I love New Jersey. It has been very good to me, and me to them.

My birthday is in four weeks and I will be 65 years old. I was looking forward to my retirement, and my children also. I, like so many, was hit hard by Storm Sandy, even though I live in an area that has not been associated with severe flooding. I now face massive uncertainty in my future.

My testimony tonight is to inform how my insurance company has made this ordeal more than unbearable, and have done what they can to delay and deny my claims in the most brazen and unscrupulous manners.

I have been with NJM -- New Jersey Manufacturers -- since I've been married and living in this state. I might have had a tiny claim somewhere along the line in the last 33 years to them. Other than that, we've been doing well together. But this storm has been a game changer.

South Amboy is the first city on the Jersey Shore, as I stated. We start out just over the outer bridge at the mouth of the Raritan River where it opens into the Raritan Bay. During Superstorm Sandy we had 13-and-a-half feet of heavy surge water that broke right through the wall and

the windows of my house. I was the first one in South Amboy that was hit by the surge. My son -- one of them is here tonight -- he was in the house during the storm with another son, and it was quite a powerful experience. Our garage, which was one foot thick brick -- solid brick -- was the first thing in South Amboy to collapse. That's how powerful this surge hit my area.

Many homes were damaged, some totally destroyed. My home is a solid brick structure and was condemned the day after the flood by my city officials as being structurally unsound. I have not returned to the home since, nor have my children.

Large amounts of mortar were washed away from the foundation and left the masonry damaged and in some places crumbling. There are actually places where we can just pull the bricks out with our hands.

It is very obvious damage, and this is not rocket science to look at this foundation.

I had flood insurance at the maximum \$250,000 coverage limits for structural coverage. My insurance company was quick to offer me an initial settlement of \$162,000 for damages. Had I not been widowed for 13 years managing my home on my own and very well aware of what it's costing to repair all these things, that might have sounded like a large amount of money. But, in my case, it falls very short of what is needed to repair my home.

No foundational costs were part of this initial offer. I have my adjustor's reports and engineering reports here with me tonight. In February of this year, four months after Sandy, my insurance company

finally sent out a structural engineer to my property after multiple requests and demands for one. This gentleman came all the way from the state of Delaware and was at my property for no more than 25 minutes and assured us the foundation needed much repair and reinforcing.

The report he submitted to NJM, however, stated there was no damage from flood to the foundation. The photos in his report were grainy and black and white, and he zoomed in on specific areas where there was no damage to exclude the damage in the photos in his report. NJM has used that report to deny any payment on our foundational damages, claiming foundational damages were a result of construction issues and wind force. That is completely and utterly absurd.

We hired our own structural engineer to come and assess the property. He too addressed the large amount of damage to the foundation, but unlike the first engineer he reflected the nature of the damage in his report which contained color photos of the damaged areas of the home. I had an engineering report done on my house back in 2010. As a widow looking around the house maintaining it for many years, I started to think, “I wonder if I’m missing something,” and I brought in a civil engineer to go over the home. And I got a very good report on everything. Now, that was only two-and-a-half years prior to Storm Sandy.

I put my house on the market at the time and have a copy of that report with me tonight. It was very detailed; it deemed the house sound in all aspects.

I also have a set of pictures of my property from two weeks before the hurricane, as we had an offer on the house from an investor and

he wanted to document the property. One of my sons had also taken photos of the house the night before the hurricane.

There is no damage in the photos or the engineer report from 2010. All damage is a result of the storm. The contractor repair estimates to fix the masonry foundation is over \$100,000. The brick wall in my home -- it's a solid brick wall, a six-inch air gap, and a solid brick wall; and it goes from the basement floor up to the third floor. It is an enormous amount of weight on that foundation from the upper two solid brick double walls.

My insurance company was quick to offer an initial settlement without any foundational payment, and then delay us months to wear us out, long before they even sent a structural engineer up from the state of Delaware to write a bogus report to deny us the remaining payment for our foundation. There were (*sic*) nor are any construction issues with the house, nor did the force of the wind blow out mortar from my masonry and cause foundational damages. Part of my foundation happens to be six feet underground.

This is outraging -- that it is almost a year and still I am not paid on my losses and have to fight to get what I paid for in my policy. This delay has caused me to be unable to obtain a letter of substantial damage yet. I have been primarily accepted into the State RREM grant program; however, lost my chance for priority status because I didn't have a letter of substantial damage at my intake. Property owners who do not have a letter of substantial damage are (*sic*) given priority in their case.

My neighbors have been accepted into the RREM grant program and have already had contractors come into their property and are

moving along in their process. They had letters of substantial damage. Because of the effort to delay and deny my flood claim from my insurance company I do not yet have that letter. And I have lost that opportunity for that RREM grant. This is outraging especially since I have been notified by FEMA that they will no longer continue to offer me rental assistance. I am now stuck. My city has condemned my house because of the bad foundation. You can see the bad foundation, but according to the report of the gentleman from Delaware I had to beg, badger, and demand from my insurance company -- the foundation is beyond okay -- he says there is no damage.

What can you do to help me? How can I stop this insanity?

My homeowners insurance is also New Jersey Manufacturers. I did have wind and water damages to my house that were not flood related, but as a result of the wind and rain the day of Sandy. But we are talking windows and roofs here, not the wind that blew out the mortar between the bricks of my foundation -- part of which is below ground, as stated previously.

You should know that NJM policyholders received a letter from the company stating how they had the worst year in company history in 2010 and 2011 -- that came last year -- because of hurricane losses they had to pay. They're struggling. Here is the letter; I brought it with me. The adjustor they sent out to the house was there for 10 minutes and wrote a report to NJM that they had used to try and settle my claim with. This report is inaccurate in measurements and didn't account for the scope of all the damage -- that was covered by my policy -- that was sustained to the property. I hired my own public adjustor to come assess the property as the

scope of the first report from NJM was incomplete and the measurements were grossly inaccurate. There was a difference of over \$40,000 in covered damages between the two reports. NJM was made aware of this, but their response was, "We are not going to change our estimate."

The arrogance of our adjustor was completely mind-boggling, and deeply enraging and puzzling. I don't know of any other profession where when you are made aware of an obvious and gross error in your work, you can look at the client and say, and I quote, "I am not even going to consider your input. This is what you get." They did not look at photos and videos of damages that I sent to them, nor the public adjustor's report, nor the measurements that were wrong in their report, and won't reinspect the property. They have denied my claim twice up to now.

It wasn't until a week ago after calling the New Jersey Division of Banking and Insurance to file a complaint that I was made aware that there was a mediation program established by the State to resolve these types of disputes. I was also told that NJM is required to notify policyholders of this program. Here is a copy of the notice from the State obligating insurance companies to make their policyholders aware of the mediation program.

I even had a nice template letter that I could copy and paste to send out. Did New Jersey Manufactures inform me at any time, even after months of back-and-forth, knowing I was a client with a dispute of my claim, that there was a mediation program -- as all insurance companies were required to do? No, they did not. If I didn't complain, I would not have known. I now have a mediation date for my homeowners policy set for October 1, and I hope that I can resolve it then, because if not I will

open a class action against NJM for bad faith and unjust enrichment against its policyholders. They clearly are delaying and denying payment on claims to help keep their company solvent and recover from their high losses from the hurricanes of previous years -- not even counting Sandy -- as they themselves have told policyholders in their letter.

This is wrong. This is criminal in my opinion. This deserves your attention. They understand that if you can delay and deny claims most people are so stressed out that they will just take what they are given and not try to fight nor know how to fight, or just get tired of fighting. I'm just not one of those people.

I will fight, I am fighting by being here today -- tonight to make you aware of the struggles a senior citizen with a straightforward claim is facing as a result of my insurance company's circus act; and ask you to please tell me what you can do to help me and many others in the same exact boat. And I do have many neighbors in this position. I'm the one who came tonight.

To close, Sandy has changed my life forever. It has created massive stress to me in my retirement. Harder to bear than the flood itself has been the behavior of my insurance company. How is it that nearly a year after the event I am still arguing to receive payment on my loss? The answer is simple. My insurance company is delaying and denying my claims hoping to get away with it, hoping to wear me out, knowing I am exhausted and vulnerable right now. This is not rocket science; I am struggling. FEMA has stopped paying my rental assistance; I cannot move back to my house, I have nothing to fall back on. My house was my retirement.

There is no reason for me to be in this situation I am in today as I sit before you. I have fulfilled my obligations. I even paid to have the house winterized and securely boarded up so it's safe. The lawn is being trimmed, etc., on my condemned structure. My taxes were even raised -- almost \$1,000 a year. My insurance company has harassed me and made this ordeal over-the-top in regards to the amount of deceit and bad faith they have blatantly displayed. They are the reason I cannot sleep properly at nights. They are the reason I am not moving forward in my recovery. I am unable to recover. Recovery is not an improper, half-baked deal. Recovery is what it is. I have worked in medicine many years, and when someone is recovering it has to be to a certain standard. And I am below standard.

They are the reason I have lost my opportunity, as previously stated, for a RREM grant, and they are the reason I am here tonight. Please take my testimony, use it to help me and others like me who are being overtly strong-armed by the insurance companies, thinking they can get away with it because they can, and that Sandy was so long ago no one is paying attention. Well, we are.

And thank you.

ASSEMBLYWOMAN SPENCER: Thank you. And I'm going to ask that you provide us with a copy of your testimony so that we can include it as part of this record and forward it to the Senator and Assembly people who represent the district in which you reside.

SENATOR SMITH: I'm also a little sorry that you weren't our first witness.

MS. HOREZGA: I'm sorry -- pardon me?

SENATOR SMITH: I'm sorry you weren't our first witness. The reason I'm sorry --- we had News 12 taking tape and this would have been a great tape to get a number of persons' attention to your problem.

You might want to -- because I think when I'm listening to you, at the end of the day, there are only two ways this is going to work for you: One is that there's a lot of public attention brought to the plight of yourself and others like yourself. And one way you might be able to do that -- News 12 has a program called "Kane In Your Corner." And I don't know if you ever--

MS. HOREZGA: Yes, I have. I did not think of that.

SENATOR SMITH: But you should call Mr. Kane.

MS. HOREZGA: Yes.

SENATOR SMITH: By the way, they're local. Their offices are on Raritan Parkway in Edison, so it's not a big trip, all right? You should give him a call tomorrow, tell him your story. You might even want to say Senator Smith suggested you give him a call. And see if you can get the television station to be interested in your story. Because when that story goes out, you're immediately going to get a lot of attention from your carrier.

And the other thing -- I hate to say it, but I don't see any other way around it -- it seems like you're going to have to get a private attorney and sue the insurance company for bad faith.

ASSEMBLYWOMAN SPENCER: Yes.

SENATOR SMITH: Maybe the other processes -- the bureaucratic process and the mediation might work, but they're going to take, I think, a much longer period of time.

ASSEMBLYWOMAN SPENCER: And certainly you indicated a class action suit. I agree with what the Senator is saying. Your squeaky wheel has not gotten as much attention as it should get. And until it gets that, they're not going to -- at least, unfortunately they're not going to respond with so much. And certainly it sounds as though you've been taken advantage of. You've done your homework, that's for sure. And it certainly sounds like you've expended a lot of money in just making sure that your house is properly assessed and evaluated. And, again, I would echo what Senator Smith said about getting Kane on your side, because your story--

SENATOR SMITH: It needs the attention.

ASSEMBLYWOMAN SPENCER: Yes, it needs to get attention, and certainly it's a compelling story.

MS. HOREZGA: I appreciate the feedback from you like this.

News Channel 12 has been to my house on two different occasions. My two sons-- News Channel 12 had been to our home and our area because the attention -- when it hits the news, you never hear South Amboy because there are less than 30 homes that were directly affected. My next-door neighbor died; he's 44 years old. They found him dead in his basement from the mold -- black mold. He worked for News Channel 7. How could this be? People across the street, their house-- Every foundation went. Ours was the only foundation where the house was standing. If you didn't have a real tuned-in brain towards structure of any kind, you could just drive by and say, "Oh, they're standing." We're standing, but they're not seeing 18-inch cracks and they're not seeing 15-

foot cracks in the walls inside the house. Someone walking through would say, "That's an old house. That's normal." It's a very strange situation.

SENATOR SMITH: Right. But you didn't have 12 there to talk about your insurance issues.

MS. HOREZGA: No.

SENATOR SMITH: They were to talk about the damage.

MS. HOREZGA: Right. They were-- We were trying to start to get action, but I never thought of Kane In Your Corner. That's an excellent suggestion. I'll definitely pick up on that.

SENATOR SMITH: No charge. (laughter)

MS. HOREZGA: I appreciate it.

SENATOR SMITH: You're welcome.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: Linda Esterreck (phonetic spelling). Is Linda from Moonachie present? (no response)

Okay, then how about David Dunkel from Paulus Hook -- positive/negative results? (no response)

Richard Boggiano, Ward C? (no response)

Loretta Dibble, Manufactured Homeowner Association of New Jersey. And there might be another lady here who wants to talk about--

UNIDENTIFIED MEMBER OF AUDIENCE: What's that?

SENATOR SMITH: I think there might be another lady who wanted to talk about manufactured homes.

UNIDENTIFIED MEMBER OF AUDIENCE: Would that be Sally?

SENATOR SMITH: Could be.

UNIDENTIFIED MEMBER OF COMMITTEE: Okay.

SENATOR SMITH: All right, but pull up a chair, ladies, and identify yourselves, all right?

**L O R E T T A J. D I B B L E:** Hello, my name is Loretta Dibble. I am the Policy Director for the Manufactured Housing Association of New Jersey -- Manufactured Homeowners Association of New Jersey. Not the park owners association -- the homeowners association. And until Hurricane Sandy, I lived in a manufactured housing community in Highlands, New Jersey.

There have been several communities, several areas where manufactured housing communities have been very adversely affected by Hurricane Sandy. The community that I live in, in Highlands, was closed after the hurricane and the community owner is poised to do redevelopment in that community.

SENATOR SMITH: Redevelopment.

MS. DIBBLE: A community in Long Beach Island also had substantial damage, and the community was closed. Ironically, a manufactured housing community right next to it did not close and is open and is doing great business.

The cynical person who I am-- The two community owners seem to have taken Hurricane Sandy as an opportunity to do redevelopment. Other communities-- There are two communities in Moonachie that received a lot of damage and they are open. But of the 420 homes in those two communities, about 150 received substantial damage and need repairs, and have repairs that have not been addressed.

The reason that I'm here is that there is no place in the recovery for manufactured homeowners. The funds that came through Robin Hood to my specific community, through the big concerts, are being administered through a local 501(c)(3) that is not considering the 60 homeowners in my community as homeowners. So we're not eligible for any of their recovery funds.

We are not eligible for the RREM funds. We're not eligible for the RE (*sic*) settlement funds. And we're not actually getting solid information that we're not eligible. We've had to do a lot of investigation to figure out what the problem is. I was one of the first people who applied, and I have documented cases of 30 or 40 people who have applied for these programs and they have not received denials. They're in application limbo. Part of that is because its process -- and I think I explained this the last time I was here -- the process is, when they get the application they check the addresses with the land records. And our homes are not gazetted in the land records. So we hit a kind of application no man's land.

Now, after a lot of investigation and figuring out what the -- trying to go through the documents that have been available, in the contractor's manual for administrating the RREM program they list two tracks -- a track for repairs to manufactured housing, but they require that the manufactured housing be treated as real property.

SENATOR SMITH: Right. I think you brought this to our attention in Atlantic City.

MS. DIBBLE: Yes.

SENATOR SMITH: Okay. I hate to say it took so long, but Chairwoman Spencer and I have sent off a letter today to Commissioner

Constable. And in it -- I'll read to you what it says -- it says, "A second concern was raised by a member of the Manufactured Homeowners Association of New Jersey regarding the RREM and Homeowners Resettlement Grants selection process. The woman indicated that despite there being no written policy excluding manufactured homeowners from eligibility, manufactured homeowners in lease-hold communities are summarily being denied assistance. The Association believes that the denials are due to the fact that manufactured homeowners do not appear on any land or deed records associated with their homes. We ask that you personally look into these concerns."

So it's later; we would like to have gotten this letter out earlier, but you rang the bell with us in Atlantic City that this sounds like a grave injustice. And Chairwoman Spencer and I have written to the Commission asking that he personally look into it because we think you're right on the issue.

MS. DIBBLE: Well, there is something that you guys could do to make -- in the second round that's coming. These funds are coming through HUD, right? There's a process to do a waiver or an exemption. It's a blanket waiver exemption. Many states have put these letters in to Secretary Donovan saying that this was not the intention of the program. The program was intended to serve these homeowners and the variations that occur state-by-state, because in some states these homes are taxed as real property. So that variation was not meant to exclude these homeowners. And this is a--

SENATOR SMITH: We think you're right on the issue. We believe you are correct on the issue.

MS. DIBBLE: Excuse me?

SENATOR SMITH: We, the Committee -- both Committees -- believe that you are correct on the issue. And we've asked the Commissioner to look into it personally. We agree with you.

MS. DIBBLE: Oh, great, wonderful (laughter)

SENATOR SMITH: You won the argument. You won the argument in Atlantic City.

MS. DIBBLE: Okay. Well, then I will--

SENATOR SMITH: But I tell you what would help. Why don't you send us a letter about this waiver procedure that you're talking about.

MS. DIBBLE: I will.

SENATOR SMITH: And then we will forward it to Commissioner Constable and ask that he consider it.

MS. DIBBLE: And can I get a copy of the letter that you have?

SENATOR SMITH: Do we have an extra?

MS. DIBBLE: That would be wonderful for us -- for me.

SENATOR SMITH: We'll try to get that for you. And excuse us for not writing as quickly as we wanted to.

MS. DIBBLE: Okay. Since you heard me, I have one other fear. And the other fear is that recovery money will be used to facilitate this redevelopment that's going to occur in places where homeowners are being displaced--

SENATOR SMITH: Yes.

MS. DIBBLE: --without sufficient regard for the changes in the demographics and the changes in the communities; and the lack of

opportunity that people who were in these homes, who are being replaced through redevelopment and other kind of activities -- that they're just not really-- Their voice isn't being heard.

SENATOR SMITH: There's no quick solution to that problem -- the reason being the State has a redevelopment law. And the redevelopment law says that a property owner can petition to have his or her property declared an area in need of redevelopment. And you can use damage to the property as a reason, or environmental issues as a reason. The place where you get that dealt with the most quickly -- because that law is not going to change. That's a two-year project to change the redevelopment law. The place where you can get it dealt with effectively is at the level of the township council. You have to go to your city council and say, "We need your help."

MS. DIBBLE: Well, unfortunately, post-Hurricane Sandy most of the people involved with the planning in the townships and the municipalities are primarily interested in ratables.

SENATOR SMITH: Ratables -- right. You also want to point out to the town that they have a Mount Laurel obligation--

MS. DIBBLE: Yes.

SENATOR SMITH: --to provide a number of low- and moderate-income homeowner units. And if they don't do that, they open their town up to a builders' remedy lawsuit. And the Association really doesn't want to be petitioning the State or asking some builder to come in to sue the town, because you're not meeting your obligation for low- and moderate-income housing. So that's your cudgel.

MS. DIBBLE: And so I--

SENATOR SMITH: You can have our only copy of the letter.

MS. DIBBLE: This is Sally, and she wants to tell you a little bit about what she's been experiencing, organizing around these issues in Moonachie in the two communities that are there.

And remember, in Moonachie there are only about 1,100 households in the municipality, and 420 of them are manufactured homes.

SENATOR SMITH: It sounds to me like that's a very powerful political group.

S A L L Y G A L L E R T: It sounds like there's a political solution to this.

SENATOR SMITH: There is.

Sally.

MS. GALLERT: Yes, I'm Sally Gallert from Woodcliff Lake. I work with Occupy Sandy, and the Bergen County Long Term Recovery Committee where I chair the Advocacy and Policy Committee.

The problem in terms of the political solution is that Moonachie has been ignoring these manufactured housing communities for decades. They consider it like, "Hey, it's private property. We don't have to really think about it. It's over there." They're satisfied--

SENATOR SMITH: Have you registered everybody to vote?

MS. GALLERT: You know, we're going to do that at our community meeting. We're going to certainly bring that up and try and get our officials and candidates to come out and meet the folk, and then go away and let us meet.

We have been hearing a lot of, "Well, we know what we got, FEMA-wise, but I don't know what this RREM is, I don't know about the

RREM or the resettlement." We've been told not to apply, we've been told we're not qualified. We actually had members of the Governor's Office say, "There is nothing available for owners of manufactured housing units." But then we also have a woman who got a letter that said she is eligible. So total confusion, total chaos -- nobody knows what's going on. And the deadlines go by.

SENATOR SMITH: Well, number one, my advice is make the application so that you at least-- If you're not in the queue, you've at least tried to exercise your rights. And if it has to go to some further proceeding you'll be able to prove that you made the application in a timely fashion.

MS. GALLERT: Except these people have been told, "Don't apply." So, yes, I know.

SENATOR SMITH: You have to tell them opposite.

MS. GALLERT: You have to document that, too.

SENATOR SMITH: And also you're going to send us the letter about the waiver procedure.

MS. GALLERT: The waiver -- right.

SENATOR SMITH: And we'll send that to Mr. Constable.

MS. GALLERT: Right.

MS. DIBBLE: That's great. And we'll see-- I'll also send-- I have letters of supports from other organizations that work on a national level that I can send to you for that.

MS. GALLERT: I have this fear of these communities, these landowners, looking at this extremely valuable property sand saying, "We could do better." And I know that the community in Long Beach Island -- a number of the residents have spoken to the State Attorney General about

the way that was closed. And some folks have settled individually and others have gone, I think, through Community Affairs or the Attorney General.

SENATOR SMITH: The group that was in earlier--

ASSEMBLYWOMAN SPENCER: Fair housing? No, Ironbound?

SENATOR SMITH: No, the Fair Housing group?

ASSEMBLYWOMAN SPENCER: Eric Dobson?

SENATOR SMITH: Yes, Mr. Dobson and also -- who was the other guy?

ASSEMBLYWOMAN SPENCER: Arnold Cohen.

SENATOR SMITH: Arnold Cohen. You should get the contact information from us to see if you can get their group to get interested in your cause -- which they should be interested in because they promote low- and moderate-income housing -- and specifically what you want them to do. The town that allowed the manufactured housing to get voided or removed -- that's the town that should get on a Mount Laurel case. And that one will be very effective. You know what they say in the Army? All you have to do is make one example.

MS. DIBBLE: Well, another thing that would help us is if we could get some movement on the bill that never has gotten out of Committee in the Senate, which would create a State registration and inspection program for manufactured housing communities. They're the only unregulated, uninspected communities in the state.

SENATOR SMITH: Really? I never knew that.

MS. GALLERT: And let me tell you, we could use some serious code enforcement.

SENATOR SMITH: Do you know what Committee that's in?

MS. DIBBLE: It's in the--

SENATOR SMITH: Or the sponsor?

MS. DIBBLE: --The Housing--

SENATOR SMITH: --and Local Government?

MS. DIBBLE: Yes.

SENATOR SMITH: (addressing Committee) Anybody here in Housing and Local Government? (no response)

MS. DIBBLE: It was proposed by the Department of Community Affairs, probably 10 years ago. And every year it's reintroduced and never gets past Committee. So we don't have a really strong lobby.

SENATOR SMITH: Yes, none of us are on that Committee. But again, separate--

MS. DIBBLE: I'll send you information.

SENATOR SMITH: Separate letters, send us information and we'll see what we can find out about what's going on with that.

MS. DIBBLE: That would be great. Thank you very much for your time.

ASSEMBLYWOMAN SPENCER: Thank you.

MS. GALLERT: Thank you so much.

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, Ronald Klempner, Grand Cove Community Association.

SENATOR SMITH: He's coming.

ASSEMBLYWOMAN SPENCER: All right.

Thank you for joining us.

R O N A L D A. K L E M P N E R: Thank you. I'll try to keep this short.

ASSEMBLYWOMAN SPENCER: Thank you.

MR. KLEMPNER: I am Ronald Klempner of Grand Cove, Edgewater, New Jersey. I thank you for the opportunity to address the impact of Hurricane Sandy and the recovery efforts to date.

I would like to address both the short-term as well as the long-term impacts and recovery efforts.

Grand Cove is a community with 500 residents. We are required to maintain the Hudson River Walkway adjacent to our development, pursuant to various New Jersey laws and DEP regulations and guidelines.

SENATOR SMITH: And we passed the bill that would restore the walkway that was destroyed by the storm.

ASSEMBLYWOMAN SPENCER: Yes.

SENATOR SMITH: Passed it, put it on the Governor's desk -- and the Governor vetoed it.

MR. KLEMPNER: We are very grateful for your efforts. And I've been writing to various legislators asking them to overturn that veto.

SENATOR SMITH: Senator Beck, what do you think the chances are that that will be overturned?

SENATOR BECK: I don't know.

SENATOR SMITH: Okay. It's going to be very difficult.

MR. KLEMPNER: I can imagine.

That gets to the long-term effects which I'll deal with later.

On the short-term, we took about four or five -- almost six months to go through our engineering studies, get repair bids, and make our application. First we had to go to our insurance carrier to get rejected by the insurance carrier. As soon as they rejected us, we put together our application to FEMA for relief. We filed our application on June 18, which was about two weeks after the deadline. We provided an explanation as to why we were late after discussing it with the New Jersey Office of Emergency Management, who recommended to FEMA that FEMA waive the deadline in our case because we had been working diligently to pull all the elements together for the application.

Our section of the walkway is an essential government service. It is served (*sic*) by the people who go -- the residential developments north and south of us going to the retail establishments both north and south of us, as well as the commuter ferry to the north of us. It's the preferred means of getting there because the sidewalk abuts a high-speed, four-lane roadway which is a major roadway north and south linking Edgewater, Fort Lee, and the communities of Hudson County to the south of us. There are a number of obstacles in that sidewalk, including telephone poles, street signs, some other street furniture; areas where the sidewalk is not completed and where people have to go over a curb and actually walk under painted lines in the roadway itself. If you have a baby carriage or bicycles it's very treacherous, which is why the walkway is the preferred pedestrian means of travel.

To make a long story short, we submitted our application June 18 and, as of this date, we still haven't heard whether or not it's been accepted or not. We don't even get phone calls returned when we call the Joint Field Office any longer. The town is putting a lot of pressure on us. We've boarded up the walkway because it's a hazard to anyone using it. And the town is putting a lot of pressure on us to try to get a date when we can indicate when we'll start working on it again.

We spoke to contractors. We have different levels of repair we can do. And depending what type of response we get from FEMA, will depend on the level of repair we do.

SENATOR SMITH: Have you asked for the intercession of your one U.S. Senator right now, but hopefully two?

MR. KLEMPNER: Yes, we have.

SENATOR SMITH: And are they -- are they working on your behalf, as well as the Congressman for that area?

MR. KLEMPNER: Yes, we've written to Menendez, and his staff person Carol Fefferman has been helpful. I've spoken to Congressman Pascrell's staff person who--

SENATOR SMITH: Great.

MR. KLEMPNER: --has spoken on our behalf, as well as Assemblywoman Jimenez whose staff person has been very helpful to us.

SENATOR SMITH: Yes, Assemblypeople and New Jersey Senators have very little to say to FEMA because we're the State government and they're Federal -- or federally related.

MR. KLEMPNER: We've gone to both sources.

SENATOR SMITH: Your best chance is with your Congressman and your U.S. Senators, to urge them to review this expeditiously. They can't tell them to say yes, but they can urge them to please attend to it because it's so important to the public safety of the people up there.

MR. KLEMPNER: Yes. And just--

SENATOR SMITH: And I'm sorry that the bill was vetoed, because that would have been another source of funding to get the project done.

MR. KLEMPNER: On that point, I'd just like to very briefly address the long-term solution.

Bergen County commissioned a study on long-term planning for their section of the walkway. And I think Hudson County is going to be doing a similar planning effort. The restoration of the walkway itself is a perfect opportunity to also create a flood mitigation measure by raising the walkway three or four feet -- whatever is deemed prudent and feasible. I'd just like to point out that Connecticut did that years ago when they were planning the interstate system. They created-- I-93 became a dyke to prevent flooding of downtown Hartford from the Connecticut River. And a similar solution could be in the offing for Bergen and Hudson County, which would be a lot cheaper than some of the flood gates that have been discussed as a preventative measure.

SENATOR SMITH: Great. We appreciate your comments.

MR. KLEMPNER: Thank you.

ASSEMBLYWOMAN SPENCER: Thank you.

Next up, I'm going to call the last two together. They appear to be from the same organization -- Jennifer Netta and George Kasimos from Stop FEMA Now.

SENATOR SMITH: And by the way, don't feel picked on.

**G E O R G E   K A S I M O S:** Sorry?

SENATOR SMITH: Don't feel picked on that you're the last. What Chairwoman Spencer and I try to do is to get all the people who have never spoken to the Committee before to get their testimony out first.

MR. KASIMOS: No problem. Thank you.

SENATOR SMITH: So you ended up at the end of the rotation.

MR. KASIMOS: No problem, thank you.

Thank you for letting us speak again. I was in Atlantic City last time. It's nice seeing some of you again.

I'm George Kasimos. This is Jennifer Netta. We're with Stop FEMA Now. We have a group of about 10,000 folks in New Jersey. Some of the issues that we want to bring up are--

We're not going to get more money. Everybody has to understand that there is no more money in (the till). So what can we do to maximize our money in the dunes? The dune system has to get replenished. The Harvey Cedars case came down from the Supreme Court. And it's my understanding that we're ready to roll, but we're not rolling. It's almost a question of: Where do we go from here?

I know in Toms River it's basically that they have to -- eminent domain or condemn everybody. But all they have to do is pull a bond on the amount of money that they're condemning. If there are 10 properties

at \$100,000 of value that they're taking, pull a \$1 million bond and they can free that town up.

Now, is there something else involved? And why isn't the State taking--

SENATOR SMITH: Are you talking about the dune case? I'm not sure which litigation you're referring to.

MR. KASIMOS: The Harvey Cedars case.

SENATOR SMITH: Oh, okay. So it was the dune case.

MR. KASIMOS: Yes. And basically that's come down, and all we have to do is get -- each town has to get an appraisal.

SENATOR SMITH: No, no, no. It's a little more complicated than that.

MR. KASIMOS: Oh, please.

SENATOR SMITH: What my understanding of the decision -- and I want my litigation counsel to correct me -- is that what the case said was that other considerations should be in the valuation process. And the case was then remanded back to the trial judge to redo it.

Is that it in a nutshell?

MR. KASIMOS: To take in the benefit of the dunes. Is that correct?

SENATOR SMITH: Yes, but you haven't seen that happen yet.

MR. KASIMOS: Right, but it was--

SENATOR SMITH: In other words, the trial court--

MR. KASIMOS: I know it's back--

SENATOR SMITH: Let me get the expert here.

They're all giving me the hairy eyeball here.

My understanding of the case -- and what I read was the summary in the New Jersey Law Journal. I did not read the case -- the actual judgment from the judge.

MR. KASIMOS: Right.

SENATOR SMITH: But my understanding is that they said, "Use different criteria when you evaluate dunes." But they, the Supreme Court, didn't do that. They didn't actually take that dune and give it a number. They sent it back to the trial judge to say, "Okay. Using this decision, now evaluate the dune."

Now, you would think that when you consider the benefit to life and safety to the property owner, as well as the community, etc., they're going to come up with a much lower number. But you haven't seen it yet. In other words, when they finish it, then there will be some certainty in the dune condemnation process. You'll have had a trial judge do it and say, "Here is what I considered. Here is the value of this, here is the value of that, and here is the final number." You never know.

MR. KASIMOS: So we're waiting for the Appellate Division to come--

SENATOR SMITH: No, you're waiting for the trial court.

MR. KASIMOS: It got bounced back down.

ASSEMBLYWOMAN SPENCER: It was bounced back for decision. Now, there is a lot that can take place between then and now -- I mean, between it coming back to the trial court. Because they may very well continue discussions, and it may settle.

MR. KASIMOS: I know. And I know court cases take a long time and everything else. And what I respectfully request of both you and the judicial system is, we have 300,000 homes that are going to get slammed again. This has to move in a more timely fashion. We have Federal funds that are ready to rock and roll, and we need to get this going. It's a big thing. And it sucks. I don't know how to put it any other way. But whatever you can do in your power we would greatly appreciate -- to push that along and respectfully ask the judicial system to just--

ASSEMBLYWOMAN SPENCER: Unfortunately, that's one body we don't push.

MR. KASIMOS: I know.

SENATOR SMITH: Plus, to be totally honest, you have the United States Constitution that covers all of us. And it says that all of our citizens are entitled to due process. So as long as it's within the realm of due process--

MR. KASIMOS: All I meant was to just push the timeframe. Whatever the number is, it is. We're not saying, "Hey, change the number." All we're saying is, "Just give us a quick timeframe, respectfully." That's all we ask.

To move forward: On the RREM program, the one big problem -- and I think Senator Beck stated the two famous words are "unmet needs." And unmet needs are really two strong words, because if Jennifer and I have the same home, she doesn't have flood insurance and I do have flood insurance, she's going to have more needs than I do. We're going to reward her for not having flood insurance. It's a bad signal.

SENATOR SMITH: You want to punish Jennifer Netta?  
(laughter)

MR. KASIMOS: I don't want to punish Jennifer. Do you know what I want to do? I want to punish--

J E N N I F E R N E T T A: Bad example. (laughter)

MR. KASIMOS: I'm sorry.

If we have extra money, then give it to the people who are uninsured. But let's help the folks who are insured and helped themselves first. That's reasonable. Help the second homeowners -- they try to help themselves -- then help the people who are uninsured. That's what we're asking for. And I think that's something that is not unreasonable.

MS. NETTA: There is a reason why that argument is in place. And what that is, is that we paid, obviously, the insurance premiums throughout all of these years. And we came to learn what has been done with these premiums on the national level, and it's very upsetting. And you're buying a product from the government that they're not coming through with when the time comes; that you're anticipating the need for that product.

I'm sure you've heard, throughout all your hearings, the really sad stories. What happened was, before Sandy hit, they were in a deficit. So I was actually buying a product that they never knew how they were going to pay me when Sandy did hit.

MR. KASIMOS: If I could just interrupt, basically what Jennifer is saying is, 38 out of the 45 years the National Flood Insurance Program has made a profit. Every year that it has made a profit, the money

was taken out of that FIP fund and put into the U.S. General Treasury Fund.

SENATOR SMITH: Are you trying to say that Congress is filled with crooks? (laughter) We never see that in State government. Nobody ever takes a fund balance from one fund and puts it in another.

MR. KASIMOS: We won't mention pensions or anything.

SENATOR SMITH: You never see it.

MR. KASIMOS: But what we're getting at is, if you took all the income and profit that the NFIP made over the last -- up until 2012 -- the general accounting numbers came only up to 2012. If you took all the income and paid out all the expenses -- including Katrina -- they'd be \$6 billion in the black. If FEMA is telling us they're \$25 billion in the hole, it's a big problem here.

MS. NETTA: When they should be \$6 billion--

MR. KASIMOS: In the black.

And my problem is that our flood insurance premiums are going to rise because of the fudging of the numbers, not only in New Jersey, but across the nation. And we need this to be brought out. I believe you have a home somewhere in a flood zone. Next year you're going to get the surprise-- You're going to say, "Who was that big, good-looking fellow who was talking to me?"

SENATOR SMITH: I got a renewal. Somehow it was \$80 more than last year.

MR. KASIMOS: Right.

SENATOR SMITH: I think I'm protected for the first year, but after that it can go up.

MR. KASIMOS: Right. When our maps become firm, that's when you're going to get the exorbitant rise in flood insurance premiums.

MS. NETTA: I did already. I went from \$3,500 to \$5,500. And I was told that that only represents 25 percent of the subsidy. That doesn't even cover when the rates change -- or when the maps change.

MR. KASIMOS: The maps get firm.

MS. NETTA: Yes.

MR. KASIMOS: She's a second homeowner. So when you're a second homeowner, obviously, you don't receive as much in our flood insurance payout. You pay more. You don't receive any of the grant money -- no CDBG -- none of that money.

MS. NETTA: You're on my game. I want to say that part.

MR. KASIMOS: The earth movement issue -- the young lady who was here was talking about her earth movement and foundation issue. It's our understanding that that is-- If you have an earth movement issue, it's not covered by flood insurance. That's our understanding. And maybe later on it will come out.

SENATOR SMITH: Are you talking about the lady from South Amboy?

MR. KASIMOS: Yes. It's our understanding that-- We have a lot of folks in our group who have an earth movement issue. And one of them who is a sub part of our group who is actually an attorney -- and her home has an earth movement issue. It is my understanding from her that she's saying that there has to be an act of Congress to amend the Biggert-Waters Act to pay people off for the earth movement issues that they have on their homes. It sounds crazy, but that's really where you're at with that.

In Union Beach, FEMA has gone back and-- They said they were going to demolish *X* amount of homes, and they've gone back. And there are no ramifications on that. And I'm sure you're working on it. But it's a shame that we have to just keep coming back to our legislators.

SENATOR BECK: It's a little more complicated than that. The Town Engineer is refusing to declare-- Of the 260 homes that have to be demolished, there are 97 that are not in eminent danger of collapsing, and that is the standard FEMA uses. They have to be about to collapse. The Town Engineer isn't willing to certify they're about to collapse because they're not. But they're very badly structurally damaged, and they can't be lived in. So it is over those semantics that this debate about whether or not they will pay for the demolition is taking place. In the interim, we actually have a not-for-profit that is paying for it. But we're aware of it.

MR. KASIMOS: And lastly, this exorbitant rise in flood insurance premiums is an issue. I'll tell you just about St. Charles and Plaquemines Parish in Louisiana. They have \$20,000 and \$30,000 flood bills in their hands. They were paying \$500, \$800 a year. They're paying \$20,000 and \$30,000 flood bills. They're coming out in Massachusetts, obviously in New York and Louisiana. We're actually going to have concurrent rallies -- about a dozen communities in New York, Louisiana, Massachusetts, and here -- and just get together and get the word out. This is a national issue. The Biggert-Waters Act is going to make homeownership along a flood zone throughout America unaffordable. And there are 5.5 million homeowners who are going to be affected. So we're having a rally Saturday, September 28, at noon in several communities in New Jersey, and we'd appreciate your support. And we would appreciate it

if you guys could come. And we're not here to scream; we're here to get the intelligent message out.

Thank you.

SENATOR SMITH: Thank you, George.

ASSEMBLYWOMAN SPENCER: Thank you.

MS. NETTA: Wow, sitting here this evening, I can imagine what a daunting task this has been for you. And staying here this evening this late, I can tell you have a lot of passion for this and want to help the state. And I thank you very much.

Since I've been following this since the storm, all I've done basically is hear all the stories and have been very upset by all the people who have owned insurance -- what their experience has been. Because we're all under the belief that when we buy an insurance product, we're going to be able to put our claim in when that one-time in a blue moon occurs. And everyone has learned otherwise -- that we're having too many issues with that.

This is a National Flood Insurance Program, and the insurance companies only administer them. And we need to remember that when we tell the people, "You need to make this argument with your insurance company," what you're telling them to do is fight Washington.

The way to get around -- the way to work toward the future on this-- We need our State legislators to join us and become familiar with everything that we've learned over the last 11 months with some inequities that have been going on, and support us in trying to move forward with Congress to correct these things. We've said a lot of things that we're worried about. But it's quite scary when someone turns around and says,

"The home that you lived in for 30 or 40 years" -- and you're a senior citizen on a fixed income -- "you're now going to have to pay \$15,000 a year for flood insurance when you may be living on your Social Security check." And I sit back and know that they have taken this money and have put it back into the Treasury instead of keeping it in a capital fund and maybe investing that money. If that \$6 billion was used -- or saved wisely, they would not have needed to then borrow -- is it \$15 billion -- just to pay Katrina.

When you look at the premiums and the payouts for the claims that they've made, it just doesn't make any sense. And to now -- for our Federal government to say, "We need to fix this mess, and we're just going to go and increase the rates on the people of this nation--" That's a travesty, because what they're doing is saying that the person who worked their entire life for their primary investment-- A lot of people, all of their money is in their homes. And to tell them, "You're going to lose everything you worked for, for 50 years; you're just going to have to walk away from it, because you're not even going to be able to sell it. Nobody is going to buy that." Tell them where to go. It's not fair.

This is the way I view what took place: I'm your friend, and I've given you money every time you needed to be taken care of -- you had problems. That's me paying into the insurance program -- hand you out money every year -- "Here, here, here, here." Now, one day, as a friend, I wake and say, "I'm broke. I need to borrow some money from somebody." So I come to you because I've given you money for many years out of the goodness of my heart. "Can you lend me some money because I have to pay a bill?"

Now, what happens is, you say to me, "Okay, friend. I'll give you this money. But now you have to pay interest on it." Is that a friend? Is our Federal government our friend when they do that to us? Because that's what they did. They took all of our premiums, they diverted them. Now, when it's time for them to pay us back -- or when they did with Katrina, they paid it out. Because they had to borrow it from a passing of a bill or whatever -- from the Federal government -- because they didn't have the money in the reserve anymore, and then they said, "Now you have to pay interest on it."

Now, when New Jersey has our storm and they don't have the money, they're saying, "Well, the way we're going to get it back is by just increasing it on them. Increase it on the whole nation." They spent the money wrong.

And I think it's a good cause to get behind. I feel Senator Landrieu has been leading this all by herself without-- She needs to get a lot more states on board with this. How you can help is--

ASSEMBLYWOMAN SPENCER: Excuse me. Which Senator did you say? Senator who?

MS. NETTA: Senator Landrieu, of--

SENATOR SMITH: Landrieu?

MR. KASIMOS: Let me just interrupt. It's Senator Landrieu and Representative Cassidy from Louisiana who are pushing the legislation.

MS. NETTA: Yes.

MR. KASIMOS: Just as a side note: One of the reasons we're here is, there were 20 parish presidents who came up from Louisiana to Washington, D.C., to protest the exorbitant rise in flood insurance

premiums. And this is not directed to anyone here, because you folks are here listening to us. But we should have had a local New Jersey Senate and New York Senate congressional committee also to meet them either in Washington or invite them up here. Let's get together. This is a national issue.

Like you said about ringing the alarm -- we need to ring the alarm on this. This is-- I know we're trying to rebuild. We're going to rebuild, but we're not going to be able to afford the flood insurance premiums.

I want to thank you very much for your time. I appreciate it.

MS. NETTA: Thank you.

SENATOR SMITH: Did we miss anybody?

ASSEMBLYWOMAN SPENCER: Thank you for your comments.

MR. KASIMOS: Thank you very much.

SENATOR SMITH: Thank you.

ASSEMBLYWOMAN SPENCER: Thank you.

MR. KASIMOS: Thank you.

ASSEMBLYWOMAN SPENCER: Is there anyone else here who we have not received a slip from who wanted to testify?

S T E P H A N I E Z E L I N S K I E: (indiscernible) (speaking from audience)

ASSEMBLYWOMAN SPENCER: Certainly, come up. Please let us know who you are.

MS. ZELINSKIE: Hi, my name is Stephanie Zelinskie. I live in Union Beach. I'm a homeowner there.

I was just reading on NJ.com today about how Long Island -- there's a plan being put together to fund the raising of some of the homes that need to be elevated with the new maps; and also creating new construction for, I guess, roadways along the waterway to make them elevated to protect from any future storms and any surge that may come.

Is there anything that New Jersey is talking about in the works for along the Bayshore?

SENATOR BECK: Raising the Bayshore or putting--

MS. ZELINSKIE: Well, for helping to raise the homes.

Let's see, it was more of an organized plan specifically for Long Island. And it just seems like the RREM program sounds great, but it's just so random. And there are so many people who have applied for it who most likely won't get it.

SENATOR BECK: Did you apply for the other program -- the \$30,000 just for elevation?

MS. ZELINSKIE: I did.

SENATOR BECK: Okay. So there is actually a lot of money in that pot. And most people who qualify and apply will get it to elevate. You're going to have to have your elevation certificate, you have to have your engineering work done, be substantially damaged, it has to be your primary residence. That one isn't income tested to my understanding.

MS. ZELINSKIE: Right.

SENATOR BECK: So that \$30,000 is supposed to complement the \$30,000 you get from the ICC and allow people to elevate out of the flood zone. And it will also deal with your flood insurance costs.

Because if you go -- what is it -- two feet above the base flood elevation, then it's \$500 a year.

MS. ZELINSKIE: My situation is that we kind of fell in a gap where we were actually not in a flood zone in Union Beach -- which I know sounds crazy, but--

SENATOR BECK: I thought all of Union Beach was a flood zone. (laughter)

MS. ZELINSKIE: It sounds crazy, but it was actually the X Zone. We did not legally, for the mortgage company, have to have it. So we got some assistance through FEMA. We live on a slab, which costs a lot to raise. So \$30,000 really isn't going to do much. And we're on the waiting list for RREM.

SENATOR BECK: It will be \$30,000 plus \$30,000; it will be \$60,000, because it will be \$30,000 from the CDBG funds and then it will be \$30,000 through ICC.

MS. ZELINSKIE: We don't have ICC.

SENATOR BECK: Oh, because you don't have the flood insurance.

MS. ZELINSKIE: Right. So it's a strict \$30,000, if we get that, to raise a slab in Union Beach.

SENATOR BECK: Did you get an estimate on it?

MS. ZELINSKIE: Greater than \$100,000 for slabs.

SENATOR SMITH: How much?

MS. ZELINSKIE: Greater than \$100,000 for slabs.

SENATOR BECK: That sounds really high. But we don't have to stay. I can give you the names of a couple of companies that are reputable. But that's really high.

MS. ZELINSKIE: It sounds really high to me too.

SENATOR BECK: How far up do you have to go?

MS. ZELINSKIE: Four feet.

SENATOR BECK: Oh, no, it's not \$100,000.

MS. ZELINSKIE: But the fact that it's on a slab has made it more expensive than a traditional raise.

SENATOR BECK: It is more expensive, but it's not \$100,000.

MS. ZELINSKIE: Like I said, it was just an article. If you guys go on NJ.com, it was posted today. It sounded interesting. It was a plan just for a smaller area. It would be maybe something to look into for the grand scheme.

SENATOR SMITH: Do you think that Union Beach is a good candidate for buyouts?

SENATOR BECK: It is.

MS. ZELINSKIE: I think it would be -- my neighbors are going to kill me -- I think it would be fabulous, and I would take it in a heartbeat. Our property values are down the toilet. Mortgages are under water -- or the people, the senior citizens have nothing to fall back on. The neighborhood is down; the school system isn't great. I think it would be great.

SENATOR BECK: They're looking at it.

MS. ZELINSKIE: I haven't heard much feedback from my neighbors about the buyout. All I keep hearing is, "We're going to rebuild." But realistically, I don't think it's the best idea.

SENATOR SMITH: We appreciate you coming up from Union Beach to Jersey City City Hall tonight.

ASSEMBLYWOMAN SPENCER: And thank you for your candor.

MS. ZELINSKIE: Thank you.

ASSEMBLYWOMAN SPENCER: I mean, I can hear in your voice the frustration and just the problems that you have.

MS. ZELINSKIE: It's just stressful.

ASSEMBLYWOMAN SPENCER: But thank you for your candor. You didn't say a lot, but what you have shared with us is pretty moving.

Thank you.

SENATOR SMITH: And it's-- The last dance is over; last call was had 15 minutes ago.

Thank you all for participating.

ASSEMBLYWOMAN SPENCER: Thank you.

SENATOR SMITH: And we may be doing this again.

ASSEMBLYWOMAN SPENCER: Yes, we may be doing it again.

Thank you.

SENATOR SMITH: Meeting adjourned.

(MEETING CONCLUDED)