

**Congress of the United States**  
**Washington, DC 20515**

January 14, 2015

The Honorable Chris Christie  
Governor  
Office of the Governor  
PO Box 001  
Trenton, NJ 08625

Dear Governor Christie,

As you prepare to submit an amended Action Plan for the third tranche of Community Development Block Grant – Disaster Relief (CDBG-DR) funds, we are writing to respectfully submit comments and recommendations to increase the efficiency, accountability, and transparency of the recovery process. We strongly encourage you to incorporate the following reforms into your final action plan and begin implementing them without delay.

- 1) Release full public integrity monitoring reports to the public. New Jersey Public Law 2013, Chapter 37, requires the State Treasurer to provide the State Legislature with quarterly integrity monitoring reports that provide, “detailed findings concerning the integrity oversight monitor’s provision of services and recommendations for corrective or remedial action relative to findings of malfeasance and inefficiency.” Unfortunately, it appears that your office has decided to release only limited summaries of the reports. This is in conflict with guidance from the U.S. Department of Housing and Urban Development (HUD), indicating that “HUD does prefer that the state make final integrity monitor reports available to the public on the state’s Sandy Recovery website. . . . HUD believes that proactive transparency and openness regarding the state’s ongoing process of seeking out and correcting program management issues would be beneficial.”<sup>1</sup> We agree. These reports are absolutely critical to ensure accountability, identify and remedy obstacles in the recovery process, and give the public the transparency and confidence in the process that they deserve. New Jersey taxpayers are paying the integrity monitors millions of dollars for these reports. They deserve the right to see the final product.
  
- 2) Conduct more rigorous oversight of subcontractors and home builders. One of the publicly available pieces of the most recent integrity monitor report notes that the subcontractors who have been hired to oversee the rebuilding process have not been properly vetted by the state for “organized crime or other criminal associations, a history of OSHA, environmental, ERISA or other regulatory violations, evidence of financial instability, or adverse monetary judgments and liens that could undermine their ability to fulfill their responsibilities as a home builder.”<sup>2</sup> As many disaster victims are required to hire their own contractor, we are concerned that homeowners selecting their own contractors may be susceptible to fraud and abuse. By exercising a more rigorous oversight role over these subcontractors and homebuilders, the state can give disaster

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<sup>1</sup> U.S. Department of Housing and Urban Development Management Review Report.

<sup>2</sup> Navigant Integrity Monitor Summary, Quarter Ending 6/30/2014

victims, who more often than not have no experience managing a major construction project, the protection and confidence they need during this process.

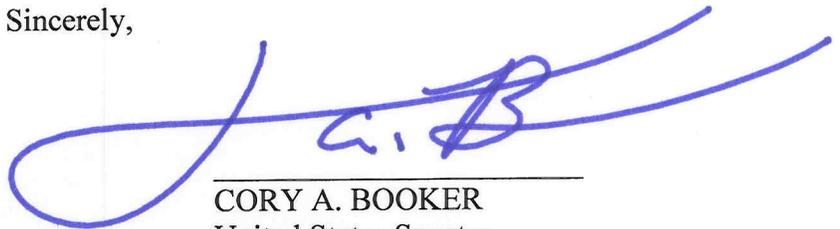
- 3) Proactively provide a list of outstanding documents and additional steps needed for eligible RREM applicants to receive funding. One of the biggest frustrations that we hear from disaster victims is not knowing what documents they need submit to the state in order to receive funding from the Rehabilitation, Reconstruction, Elevation, and Mitigation (RREM) program. A simple way to remedy this problem is to proactively send each eligible RREM applicant a letter detailing what information is still outstanding and needed to finalize the grant. Such a step would simplify the process for homeowners and help get rebuilding funds out the door and people back in their homes quicker.
- 4) Establish deadlines for RREM application determinations and appeals. In addition to not knowing what documents and information they need to provide, thousands of homeowners remain in limbo, waiting for a decision from the state on their application or appeal. Homeowners deserve to receive an answer within a reasonable period of time. In order to address this issue, we are asking you to establish and comply with a 30-day deadline to respond to applicants once all documents have been submitted and a 60-day deadline to respond to appeals. If instances arise where the state cannot meet the applicable timelines, the state should notify the applicant and HUD as soon as possible. As part of this notification, the state should explain the reason(s) why it needs additional time and provide an updated estimated timeline for completion of each remaining step in the process.
- 5) Address the expiration of Sandy Homeowner and Rental Assistance Program (SHRAP) funding. Due to continued delays with the RREM program, many homeowners are still displaced from their homes and now are finding out that they have exhausted their rental and mortgage assistance provided by the SHRAP program. The state should develop a plan for addressing the financial needs of these storm victims. Without such action, homeowners already stretched financially by the recovery are left paying for both the mortgage on an uninhabitable house and temporary housing, threatening many with the possibility of foreclosure. It would be tragic if RREM-eligible disaster victims lost their homes to foreclosure while waiting for funds to rebuild.

While we have come a long way in rebuilding, we all know the job is far from complete. With these actions, we believe the state can streamline the RREM housing recovery program, inject accountability and transparency into the process, and increase the speed and effectiveness of the recovery. Thank you for your consideration, and we look forward to working with you to address these concerns.

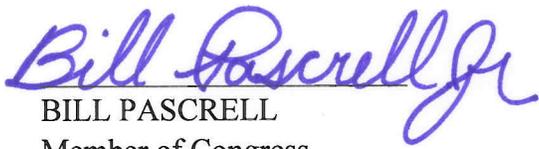
Sincerely,



ROBERT MENENDEZ  
United States Senator



CORY A. BOOKER  
United States Senator



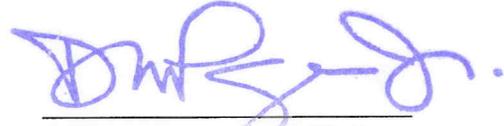
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Member of Congress



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