

Belmar Mayor Matthew J. Doherty testimony before Senate Subcommittee on Housing, Transportation, and Community Development.

March 12, 2014

Thank you for this opportunity to share with you some of the things we experienced in Belmar, NJ as a result of Sandy. Based on conversations with other Jersey Shore Mayors, it seems that our experiences are similar to what other communities are going through as well.

I want to first thank you, all of the members of this committee, and the rest of the Senate and House of Representatives for appropriating financial resources to both Belmar and the rest of the Jersey Shore since Sandy ravaged our communities on October 29, 2012. I know that, while there were some members who opposed helping us, as a collective body you supported us and for that we are grateful. I would also like to take an opportunity to thank New Jersey's Congressional delegation for all of their hard work in helping to secure much-needed aid, particularly Senator Bob Menendez, Congressman Frank Pallone, Congressman Bill Pascrell and Congressman Chris Smith. Having gone through this experience I can tell you that without Federal assistance both my community, and the rest of the Jersey Shore, would be at risk of becoming a relic of the past. No state, county, or municipality could come back from a terrible hit like the one our communities absorbed without federal assistance.

I also think that it is worth noting that there is no private sector solution to recovery and rebuilding from a storm like Sandy. It is government, and government alone, that makes recovery from a storm like Sandy possible.

Sandy destroyed town infrastructure, businesses and residential properties. I would like to take this opportunity to share with you our experience of working with the federal government and the state government in these three areas. In addition, I would like to humbly offer suggestions for the future allocation for federal resources for Sandy recovery based on my experiences as the mayor of a town that was hit particularly hard.

The day after Sandy struck our community, we immediately began cleaning up. We started pumping water out of our town at a top rate of 60,000 gallons of water a minute and it took six days to complete. In addition, we brought in outside contractors to begin to remove the debris from town, including 1.2 miles of boardwalk and 5 pavilions on the beach front. There was also a tremendous amount of debris that came out of people's homes and businesses. We made a concerted effort to remove the household debris as soon as possible for both health reasons and psychological reasons. We found that beginning the process of recovery as quickly as possible had the positive impact of bringing our residents closer together and the thousands of people who came to help volunteer only served to further expand the larger sense of community.

Through all of this, we worked with the Federal Emergency Management Agency (FEMA) on a daily basis. They developed project work sheets so that we would be eligible for reimbursement of 90% of all the debris removal expenses and they helped guide us through what could have been a very difficult and convoluted process.

Even while we were in the process of cleaning up the devastating effects of the storm we began to aggressively plan to rebuild our boardwalk with a goal of being completed in time for the summer in order to try and salvage our tourist season and pump needed tourism dollars into our community. We began to rebuild the boardwalk on January 9, 2013 and completed the project by the end of April, with a Grand Opening just days before Memorial Day Weekend.

Both Senator Bob Menendez and Governor Chris Christie joined us for our Grand Opening. Not completing this project in a timely fashion would have risked the future of our 140 small businesses in town. Like most towns along the Jersey Shore, all of Belmar's businesses are small businesses owned by middle class families. By completing the boardwalk on time we were able to set the tone that our town would be open for business for the summer which, in turn, helped encourage local business owners to be open as well. Because of their hard work and determination, we had the same number of businesses open for Memorial Day as we did the day before Sandy. Similar to the efforts on debris removal, we worked with FEMA on a weekly basis and looked at them as a partner. They produced the project work sheets that made the rebuilding of the boardwalk eligible for 90% reimbursement and, again, offered us necessary guidance.

Again, without FEMA, our town, and the rest of the Jersey Shore would have a very difficult time advancing towards recovery. In fact, without their help it is possible that vast middle class areas may have remained permanently stagnant, so I want to reiterate how important FEMA has been to our recovery.

We found through this process that businesses seem to recover rather quickly, far more quickly than residential properties. This seems to owe to a few different factors. As I mentioned before, most of the businesses at the Jersey Shore are small businesses owned by middle class families. In most instances, these businesses are the sole means of income for these families. If they were unable to be open for the summer months, it would be devastating to their financial situation and would begin to negatively impact the rest of the community. Failed businesses and vacant store fronts lead to the deterioration of a community. Another factor in the timely recovery for small businesses in our community was the Small Business Administration (SBA). The SBA was quick to establish itself in the shore area (just like FEMA) and assisted small business owners and several business owners were eligible for grants to help them restock their inventory for the summer. An additional factor was the insurance that many businesses had, particularly business interruption insurance. Lastly, in order to save their businesses, many small businesses owners emptied out their savings, borrowed money from friends and family, and did whatever it took to get open for the summer.

Unfortunately, we are finding that residents affected by Sandy are the ones having the most difficult time with recovery. While FEMA and SBA were both on the ground after the storm for four months, it is the long term process of recovery for many families that has proved to be problematic. In many communities along the Jersey Shore there are still families that have been displaced, as of today, for 500 days. 500 days of stress on families. 500 days of living in multiple places. 500 days of living on someone's couch. 500 days of driving children to school 17 miles a day just so they have some semblance of normalcy in their young lives. 500 days of struggling through bureaucratic rules and regulations. 500 days of not knowing when, or even if, they will ever get back home again.

In our small town alone we have 90 families that have applied for the Reconstruction, Rehabilitation, Elevation, and Mitigation (RREM) grant and only 1 in 5 were approved and funded. The rest are either waitlisted or ineligible. I cannot stress how difficult this is on these families when all they want to do is go back home.

I would like to share a couple examples, Frank Murphy and his wife had twin babies a couple of months before Sandy destroyed their home. They applied for the RREM program and were told that once they apply, they must stop all construction, or they will receive nothing. They were denied the grant and began building their house as they appealed their denial. Over time, their denial was reversed and they were told that their grant for \$30,000 would be funded. But now, since they started to rebuild to get

back home, even though their grant was funded, and they are eligible, they will receive nothing. No one from the state told them that during the appeal process they could not work on their house. How long should they be forced to wait to work on their home, particularly after being denied and subsequently given no time frame for when they would hear on their appeal? The fact of the matter is that the Murphys aren't looking to blame someone for the wrongful denial of their grant application, they just need the resources so they can get back home.

Another example is Krista Sperra. She is a graphic designer who both lives in Belmar and has her business in Belmar. She is married with two children in grammar school. She and her husband paid premiums on their flood insurance every year, for over 10 years, before Sandy hit. Sandy brought water that engulfed Krista's home and surrounded her home, and those of her neighbors, for several days. After the water resided, she had a structural engineer look at her foundation. Like many in Belmar, Krista owns an old house with a foundation made of brick and mortar. The engineer told her that she needed a new foundation and that she could not do any work above the foundation until it was completed. She brought this information to her insurance company, they sent someone out to look at it, and they told her that all she needed to do was replace some of the mortar in between the bricks and she would be fine. They gave her \$600 and told her that would be sufficient for the mortar. She consulted another engineer and he told her the same as the first engineer, the entire foundation needed to be replaced.

Krista is now suing her insurance company, displaced from her home and living in the third house since Sandy hit and needs to find another place for her family by the end of May (her fourth place since Sandy). 500 days she and her family have been displaced and she is now suing her insurance company as she looks for a new place to stay. All she wants to do is get herself and her family back home.

These are just two of countless stories at the Jersey Shore today. But I think they are both indicative of the fact that people are generally not interested in moving somewhere else, they do not want to give up on their community. Rather, they want to stay and rebuild. They want to get back home.

From these experiences, and many others, I would like to offer a few suggestions on how additional federal resources could be allocated for the maximum benefit to communities still recovering from Sandy.

First, while communities wait for federal funding, allow them to begin projects they need to recover from the storm, and reimburse them later. This follows the current FEMA model.

Second, relax rules that make it difficult for families that did work on their homes right away to receive funding simply because they wanted to get their families back home. This will eliminate the disincentive for being aggressive about getting back home. People should still receive their funding, even if they did work after the application date.

Third, compel the National Flood Insurance Program (NFIP) to settle with clients through arbitration, as opposed to forcing these residents to sue their insurance company. Many of these people have been paying premiums on their insurance for years in order to have help during just such an emergency and they should not have to sue for that coverage.

Fourth, increase the appropriation for housing and infrastructure for Sandy impacted communities. As we come to the end of the Community Development Block Grant (CDBG) allocation, I believe there will be a need for additional financial resources to assist families and communities to fully recover.

Fifth, and lastly, let us not get caught up in the blame game. Let all of the elected officials from the federal, state, county and municipal level work together to help middle class families during this time of ongoing trouble. We have all done a lot these past 500 days, and now is the time to rededicate ourselves to ensuring that everyone gets back home.

Thank you again for the opportunity to come speak before this committee and share my experiences and suggestions.