

Hurricane recovery funds build South Jersey affordable housing

NICHOLAS HUBA, Staff Writer | Posted: Thursday, April 21, 2016 9:55 am

Some mainland towns in South Jersey are using Hurricane Sandy recovery funds to address affordable housing, just as coastal communities use them to fortify beaches.

The state has awarded more than \$93 million in such funds to developers for affordable-housing projects in Atlantic and Cape May counties, giving a boost to housing in the region.

In Atlantic, southern Ocean and Cape May counties, at least 10 affordable rental developments are going up, funded largely by federal Low Income Housing Tax Credits and Hurricane Sandy recovery funds for multifamily housing, dispersed through the New Jersey Housing and Mortgage Finance Agency.

The federal funding, tied to Hurricane Sandy recovery, has lessened the burden on taxpayers for the development of affordable housing, said Egg Harbor Township Mayor James “Sonny McCullough.

“Our affordable housing share is something like 700 units, which could have a huge impact on taxpayers,” McCullough said. “This money allows us to address that and not involve the taxpayers.”

Over the past couple of years, developers have received more than \$14.6 million in recovery funds for the affordable housing projects in the municipality, including more than \$5.5 million for the conversion of the Clarion Hotel and Conference Center into more than 84 affordable housing units.

“These are beautiful places,” said Cynthia Concepcion, 55-year-old lifelong resident of Atlantic City, as she walked around a two-bedroom apartment during the open house in February. “This is the perfect location. There are stores all over and there is public transportation.”



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Construction has begun on Fire Road in Egg Harbor Township for the Michael's Organization affordable-housing project that will offer 76 units in four three-story buildings. Five of the units will be reserved for homeless families, and the remainder will be affordable to households earning 30 percent to 60 percent of the area's median income.

Developers of the projects in Atlantic County have been awarded more than \$83 million for the construction of more than 1,039 units. Developers of projects in Cape May County have been awarded more than \$10 million for the creation of more than 160 affordable housing units, according to state records.

Since Sandy exacerbated the need for affordable housing in the state, the New Jersey Housing and Mortgage Finance Agency has mobilized federal Sandy recovery funds to create many affordable housing opportunities in the nine most-affected counties, said Anthony Marchetta, executive director for the agency.

Overall the state has awarded more than \$414 million to developers for the creation of affordable housing as part of the recovery from the historic storm that made landfall in October 2012.

“This area has seen a lot of the funding that has been given out during the first waves,” Marchetta said. “Around the area, more than 500 units have already been developed.”

Also in Egg Harbor Township, the Michael’s Organization received \$13.8 million in recovery funding for its current project on Fire Road.

The project, on 19 acres, will offer 76 units in four, three-story buildings when it’s completed. Five of the units will be reserved for homeless families, and the remainder will be affordable to households earning 30 percent to 60 percent of the area’s median income.

The four buildings will be built on six acres, while the remaining land will be preserved, said Jonathan Lubonski, developer for the project. The Michael’s Organization has developed more than 50,701 affordable housing units since 1973. The group also manages more than 360 communities nationwide, according to its website.

Despite being in the works well before Sandy made landfall, Rittenberg Manor in Egg Harbor City took advantage of the funding that was available and was able to secure more than \$5.5 million in recovery funds for the project. The development features a 100-unit affordable senior housing development.

“As everyone knows, it’s hard doing business in this state, whether you are a home owner, business owner or developer,” said Egg Harbor City Mayor Lisa Jiampetti. “This has been a win for everyone involved.

The increase in federal funding for affordable housing was tied to an April 2013 settlement of a lawsuit requiring the state to take numerous steps, throughout the rest of the federally funded recovery from Sandy, that will increase resources available to lower-income renters still not back home after Sandy and target those resources to the hardest hit areas, said Anthony Campisi, spokesman for the Fair Share Housing Center.

“This money provides opportunity for those who help keep the shore going,” Campisi said. “Now more than ever, it’s important to have affordable housing.”

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