

**EXHIBIT 2**  
**(RFQ774882S)**

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**NEW JERSEY**  
**HOUSING INCENTIVE PROGRAM**  
**DRAFT POLICIES**



## **Part I: New Jersey Housing Incentive Program**

### **1.0 Purpose**

Many New Jersey residents have endured significant financial hardship as a result of Superstorm Sandy and are now deliberating whether it makes economic sense to rehabilitate and reoccupy their home. The cost of reconstruction, higher home insurance premiums, and the financial and practical impact of elevation requirements will deter some homeowners from rebuilding. At the same time, decreased property values since the storm have reduced the municipal tax base in many impacted towns. Municipalities need to keep their base of residents in order to stabilize the community and return to maximum economic vibrancy and vitality.

The State has developed the New Jersey Housing Incentive Program to address these issues by providing homeowners with an immediate financial incentive to resettle into their homes and remain in their impacted community.

Funds may be used for any purpose that the homeowner deems necessary to aid in resettlement and re-occupancy.

### **2.0 Program Overview**

#### **2.1 Funding Appropriation**

On January 29, 2013, President Obama signed into law the Disaster Relief Appropriations Act, 2013, (Pub. Law 113-2), which appropriated \$16 billion through the Community Development Block Grant (CDBG) program to states that experienced major declared natural disasters during 2012. The Appropriations Act, requires funds to be used only for specific disaster-related purposes.

On February 6, 2013, HUD announced the first portion of disaster recovery CDBG funds allocating \$1.83 billion to New Jersey. \$200,000,000 of the \$1.83 billion will be used for the New Jersey Housing Incentive Program in accordance with the HUD approved Action Plan.

#### **2.2 Federally-Designated Areas Eligible for CDBG Assistance**

The following counties are eligible areas that can receive financial assistance from this allocation: Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union.

### **3.0 New Jersey Housing Incentive Program Requirements**

In an effort to support homeowners' decisions to stay in their homes and contribute to the rebuilding of their neighborhoods, the Homeowner Incentive Program was created to provide struggling homeowners with much-needed resources to resettle in their homes.

### **3.1 CDBG National Objective**

All program activities (with certain exceptions with regard to administrative and planning activities) must meet an applicable CDBG National Objective. At least 60% of the available funds in the New Jersey Housing Incentive Program are dedicated to those households meeting the Low-and-Moderate Income (LMI) National Objective requirements in accordance with HUD LMI standards. Up to 40% of the funds available to this program are available under the Urgent Need National Objective to non-LMI households (i.e. earning over 80% AMI) that meet the eligibility guidelines established in Section 3.2 of this document.

To determine the household income, the New Jersey Housing Incentive Program will follow HUD's methodology for using the IRS 1040 tax return

### **3.2 Homeowners Eligible for Assistance**

Homeowners must meet the following threshold criteria:

- Home must have been damaged by Superstorm Sandy.
- Home must have been the homeowner's primary residence at the time of the storm.
- Homeowner must have been the owner of record at the time of the storm and continue to be the owner throughout the grant compliance period.
- Homeowner must be current on property taxes for the home that is being assisted.
- Home must reside within one of the nine most affected counties and in the NFIP A and V ABFE Flood Zones.
- Must have applied to the New Jersey Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) program or another rehabilitation program for assistance, or must have otherwise taken steps to repair or reconstruct their residence
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- Home must have sustained a FVL of \$8,000 or greater or more than one foot of flooding on the first floor (Determined by FEMA)
- Homeowner agrees to remain in the home for 2 years and agrees to sign deed restriction

Due to the overall unmet need and limited funding, meeting the eligibility requirements above does not guarantee funding will be granted to an eligible homeowner. Applicants will be eligible for funding on a first come first serve basis.

### **3.3 Ineligible Applicants**

The following types of ownership are ineligible for assistance under this program:

- Business entities are not eligible. This includes but not limited to: Limited Liability Corporations, Limited Liability Partnerships, Corporations, etc.
- Applicants who have lost ownership of their homes due to foreclosure, or are in foreclosure proceedings, are ineligible for assistance.
- Homeowners whose properties are located where federal assistance is not permitted are ineligible for assistance.

### **3.4 Individual Homeowner Grant Threshold**

The maximum amount award available per eligible household is \$10,000.

## **4.0 Roles and Responsibilities**

### **4.01 SSHIP Program Manager**

- Application intake
- Determine applicant eligibility
- Notice of Award
- Collect required paperwork from homeowner
- Entering data in MIS
- Prepare payment and promissory note
- Verify and monitor occupancy
- Final closeout of the applicant file