

***New Jersey Community Development Block Grant -
Disaster Recovery Program***

NJ CDBG-DR Pre-Application

***Administered by the
New Jersey Department of Community Affairs
Division of Housing and Community Resources
Neighborhood Programs Unit/NJ Small Cities CDBG Program***

***For Information
Please Contact:***

***The NJ Small Cities CDBG Program
New Jersey Department of Community Affairs, NJDCA
101 South Broad Street, 5th Floor
Post Office Box 811
Trenton, New Jersey 08625-0811***

***Attention: Administrator, Neighborhood Programs Unit (NPU) /
NJ Small Cities CDBG Program
(609) 633-6283, or (609)-633-6277***

Or

Go to:

<http://www.nj.gov/dca/divisions/dhcr/offices/cdbg.html>

INTRODUCTION

The purpose of this pre-application is to bring the applicant and the Department together in order to determine the eligibility and feasibility of a proposed New Jersey CDBG-DR project. It is designed to begin a discussion that may lead to the submission of a full SAGE application and funding or to determine that the proposal as structured does not meet NJ CDBG-DR Program requirements.

New Jersey's CDBG-DR Program is intended to assist with the recovery in the most impacted and distressed areas, which have been declared a major disaster in 2011 under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) the November 16, 2011 (76 FR 71060) and April 16, 2012 (77 FR 22583) issues of the Federal Register (FR). Funds are to be used only for specific disaster-related purposes. Eligible grantees may use CDBG-DR funds for recovery efforts involving housing, economic development, and infrastructure, if such use does not duplicate funding available from Federal Emergency Management Agency (FEMA), the U.S. Army Corps of Engineers (USACE), or the Small Business Administration (SBA). The FR Notice strongly encourages incorporating preparedness and mitigation measures into rebuilding activities in the affected areas. This pre-application will be used in the assessment of community impacts and unmet needs to guide the development and prioritization of planned recovery activities. Prospective applicants for assistance from this DR Program are required to submit a pre-application prior to submitting a formal request.

Requests must clearly meet one of the three National Objectives of the Housing and Community Development Act of 1974, section 105(a) and (24 CFR 570.480 et seq.), as amended. Applicants must describe the problem to be addressed and certify that the actions proposed will provide an appropriate solution and can be readily implemented. Grants may not exceed \$1,000,000 unless compelling reasons for exceeding that amount are accepted by the Department.

Only eligible municipal or county governments may apply. They may apply on behalf of public agencies and may sponsor assistance to non-profit agencies, developers, and other entities to support qualified activities. Direct assistance to for-profits must be in the form of a loan to acquire or renovate fixed assets (plant and equipment); not for operating capital or inventory. Loan terms are negotiable based on the borrower's ability to carry debt, a reasonable rate of return, and benefits to low income people and to the community at large. However, NJ CDBG-DR funds may not be the primary source of financing. Similar requirements apply when non-profits are assisted; however, the terms may be more generous and NJ CDBG-DR funds may be the primary funding source in such cases.

A public hearing is **NOT** required at this time, but one must be held prior to the submission of a full SAGE application.

The chief elected official of the unit of local government filing the pre-application must sign where indicated on Page 2.

SUBMIT AN ORIGINAL & ONE COPY OF THE PRE-APPLICATION TO:

**New Jersey Department of Community Affairs
Neighborhood Programs Unit (NPU)/NJ Small Cities CDBG Program, 5th Floor
101 South Broad Street
Post Office Box 811
Trenton, New Jersey 08625-0811**

PROJECT SUMMARY**1. Name of Applicant**

Municipality/County

Address

City Zip Code
2. In _____ County**3. State Legislative District _____****4. Name of Contact Person**

Name Title Phone
5. Name of Chief Financial Officer

Name Title Phone
6. Name of Project _____**7. NJ CDBG-DR Grant Request \$ _____****IF APPLICABLE**

Certification by Borrower: To the best of my knowledge and belief, the information provided herein is true and correct.

Date _____
Name and Title
REQUIRED

Certification by Applicant: To the best of my knowledge and belief, the information herein is true and correct.

Date _____
Name and Title (Chief Elected Official)

PRE-APPLICATION INSTRUCTIONS

1. Project Summary Description

Specifically describe the project by addressing the following in your statement:

- What will be done;
- What need(s) will be addressed;
- What is the total cost of the project (itemize component and associated costs);
- What will the NJ CDBG-DR funds be used for;
- Where will other financing be obtained and what are the likely terms, if any; and
- What is the prospective schedule, from starting date to completion?

2. Qualifying Statements

Identify which National Objective (benefit to people of low/moderate income; prevention/elimination of slums and blight; urgent need) your project will address and describe the basis for your claim.

3. Necessity of Funding

Explain why this project would not proceed without NJ CDBG-DR funds.

4. Construction Cost Estimates/Prevailing Wage Acknowledgement/ Certification of Deficiencies

Submit a signed cost estimate, prepared by an engineer or architect, including certification that prevailing wage rates were factored into the cost estimate presented.

Submit a certification from a qualified person or persons who is /are not employed in any manner by the applicant. This person must address the specific problem or problems that you have identified and intend to correct with the funds requested. Projects that clearly address a severe situation affecting the health or safety of the residents of the service area must provide evidence in this section. Do not include letters of support from local residents or elected officials with this item. You may contact the NPU/NJ Small Cities CDBG Program at 609-633-6283, or 609-633-6277 for further assistance.

Please read the attached appendix concerning meeting a National Objective.

APPENDIX Pre-Application – NJ CDBG-DR Program

Compliance with National Objectives

Applicants must document how each activity for assistance addresses at least one of the national objectives of the Housing and Community Development Act of 1974:

- 1.) primarily benefit people of low and moderate-income,
- 2.) prevent or eliminate slums or blight,
- 3.) address an urgent need of recent origin when no other funds are available

If your application is intended to primarily benefit people of low and moderate-income and to eliminate slums or blight, please follow the instructions below and the application instructions in this document. If you are claiming 3 and need further guidance, contact NJDCA's Neighborhood Programs Unit/NJ Small Cities CDBG Program at 609-633-6283, or 609-633-6277 for guidance.

Benefit to Low and Moderate-Income People

If several activities, the percentage benefit must be calculated for each activity. Then the separate calculations must be combined to obtain a percentage benefit for your project as a whole. Before you start your calculations, take a moment to understand the following standards, definitions, and requirements.

Definition of Low and Moderate Income (L/M)

Low and moderate income people are those having incomes not more than the "moderate-income" level set by the federal government for the HUD assisted Housing Programs. This income standard changes from year to year and varies by household size and the metropolitan statistical area. The HUD Income Guidelines for communities are posted on the Program's webpage under General Information, <http://www.nj.gov/dca/divisions/dhcr/offices/cdbg.html>.

L/M Benefit Requirements

For each activity principally benefiting low and moderate income people the applicant must document that:

- 1.) those served by the activity are presumed to be low and moderate-income and provide 100 percent benefit to persons of low and moderate-income, e.g., elderly (senior citizens), disabled adults, homeless persons;
- 2.) at least 51 percent of the people in an area served by the activity are low and moderate-income. **Note:** counties and municipalities that have been granted an exception by HUD to the above percentage may continue to use the exception for CDBG-DR funds; or
- 3.) housing (see Housing Programs next page).

Area Documentation (Required only if claiming number 2 directly above)

To document that the activity primarily benefits people of low and moderate income, the applicant must determine the area that will be served by each activity and submit one or more maps that show clearly:

- a. the extent of the facility service area;
- b. the location of the specific structures and facilities to be assisted with CDBG-DR Program funds;

- c. the names of the streets in the facility service area;
- d. a delineation of all structures by use with vacant structures noted; and
- e. the Census tracts and block groups and their boundaries within which part or all of the facility service area is located.

Document each claim for area wide low and moderate-income benefit with the most recent US Census data or with a current income survey of area residents. Surveys must be conducted within 18 months of the application's submission.

Census: If the area that will benefit is the entire municipality or a discrete Census area, submit the low and moderate income percentage of the Census area. You may obtain low and moderate-income percentages from the Small Cities program, if you identify the specific Census area(s) in which the proposed activity is to take place. Census data is available on the NJ CDBG Program's webpage at <http://www.nj.gov/dca/divisions/dhcr/offices/cdbg.html>.

Note: If the area of benefit is smaller than the smallest Census area, you may still use the Census information rather than conduct a survey IF the area of benefit contains at least 50 percent of the total number of people residing in the complete Census area. **However, Census data covering an area smaller than a block group is not acceptable.**

Survey: If the service area cannot be described with Census data, you must conduct an income survey using the Low/Moderate Income Benefit Worksheet and Income Survey Form included in the Instructions for completing an Income Survey on the NJ Small Cities CDBG Program's website.

Note: The applicant or grantee must show how the percentage of LMI persons was calculated. The percentage of LMI persons must be calculated from the entire population of the service area, and not from the proportion of participants who responded to the survey. If for example, a town in rural America with a population of 640 conducts a census of the entire population to determine the percentage of LMI persons, and gets an 80 percent response rate. Fifty-one percent of 640 is 326, and 80 percent of 640 is 512. Of the 512 respondents, 326 of them should be LMI persons. It is inaccurate to use 51 percent of 512 which is 261. (HUD, Notice CPD-05-06, July 26, 2005)

Housing Programs

All housing rehabilitation programs must be certified and targeted to people of low and moderate-income, as defined by the US Department of Housing and Urban Development. The HUD Income Guidelines for communities are posted on the Program's webpage under General Information, <http://www.nj.gov/dca/divisions/dhcr/offices/cdbg.html>. CDBG-DR allows for the rehabilitation of housing occupied by people with incomes up to 120 percent of the HUD median income limit for the county. Households with incomes above the HUD income limits will not be considered to meet the national objective of benefit to low and moderate-income.

Preventing or Elimination of Slums or Blight

Applicants who claim that their activities meet the national objective of eliminating or preventing slums or blight (rather than claiming benefit to low and moderate income people) must document this claim by showing that the activities proposed will be carried out in an "area in need of rehabilitation" or a "redevelopment area" as set forth in the New Jersey Local Redevelopment and Housing Law (NJSA 40A:12A). There must be a substantial number of deteriorated buildings in the area. The boundaries of the redevelopment area and all proposed improvements must be clearly delineated, and the activities to be assisted with funds must be limited to those that address one or more of the conditions that contributed to the deterioration of the area. The disaster declaration will fulfill the requirement for the area in need of rehabilitation or redevelopment.

Note: Projects that remove slums and blight either through rehabilitation or by demolition, which when completed provides an area benefit, may be considered as meeting the national objective of benefit low and moderate-income, if at least 51 percent or the exception percent of the beneficiaries in the service area are people of low and moderate-income. Refer to the L/M Income requirements above.

Urgent Need

Under the Federal Register Notice for the CDBG-DR Program, the County and municipalities are not required to issue formal certification statements. Instead, they must document how each project or activity funded under the urgent need national objective responds to the disaster related impact identified by the local community. In addition, since major disasters present unique challenges and recovery can take years, it is not necessary for an activity to begin within 18 months of the disaster in order to use the urgent need national objective.

The county and municipalities should still be mindful of the low and moderate-income benefit national objective for all activities that qualify under such criteria. At least 50 percent of the entire CDBG-DR grant award must be used for activities that benefit low and moderate-income persons.

7/13/2012