

# New Jersey

## Department of Community Affairs

### SUPERSTORM SANDY COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY

Public Law 113-2; January 29, 2013

FR-5696-N-01; March 5, 2013

FR-5696-N-06; November 18, 2013

FR-5696-N-11; October 16, 2014



#### **ACTION PLAN AMENDMENT NUMBER 48 SUBSTANTIAL AMENDMENT**

- **Reallocation of funds to support Hurricane Ida recovery programs**
- **Waiver request to modify Section 414 of the Stafford Act requirements**

PUBLIC COMMENT PERIOD:

DATE SUBMITTED TO HUD:

DATE APPROVED BY HUD:

Philip D. Murphy  
Governor

Lt. Governor Sheila Y. Oliver  
Commissioner



## SECTION 1: OVERVIEW

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New Jersey (State) received approval from the U.S. Department of Housing and Urban Development (HUD) for the State's Community Development Block Grant – Disaster Recovery (CDBG-DR) Action Plan on April 29, 2013. The Action Plan described the State's allocation of \$1,829,520,000 of first-round CDBG-DR funds allocated by HUD to support New Jersey recovery efforts. As a grantee, the New Jersey Department of Community Affairs (DCA) was chosen to administer the CDBG-DR grant. Since that time, HUD has approved 46 amendments to the Action Plan with Amendment 47 currently pending approval. Included in those amendments was Substantial Amendment 7, which detailed the allocation of \$1,463,000,000 of second-round CDBG-DR funds across the recovery programs, and Substantial Amendment 11, which described the allocation of \$501,909,000 of the third (and final) round of CDBG-DR funds intended to address unmet recovery needs.

This **Action Plan Amendment 48 (APA 48)** is considered a substantial amendment according to the definition stipulated in the March 5, 2013, HUD [Federal Register Notice 5696-N-01](#) and in accordance with the State's citizen participation plan because it creates new programs, changes the eligibility criteria as it relates to the State's expenditure of allocated funds, and reallocates a total of \$52,600,000 of Superstorm Sandy Recovery CDBG-DR funds. These funds are being reallocated to assist with recovery from Hurricane Ida in counties that were determined by HUD to be most impacted both in the aftermath of Superstorm Sandy and Hurricane Ida. The overlapping counties are Bergen, Essex, Hudson, Middlesex, Passaic (Irene), and Union counties.

APA 48 is available in English and Spanish through DCA's website, <https://www.nj.gov/dca/ddrm/>, and can be requested by email at [DisasterRecoveryandMitigation@dca.nj.gov](mailto:DisasterRecoveryandMitigation@dca.nj.gov) (Subject: Action Plan Amendment 48) or by contacting the Division of Disaster Recovery and Mitigation Constituent Services at 609-292-3750. To obtain a translated copy in a language other than Spanish, please contact Sylvia Johnston, the language access plan (LAP) coordinator, at 609-913-4247 or [Sylvia.Johnston@dca.nj.gov](mailto:Sylvia.Johnston@dca.nj.gov). For hearing-impaired users, text telephone service is available at (TTY/TDD) 1-800-852-7899.

The public comment period for APA 48 will be open from 9 a.m. on August 30, 2022, to 5 p.m. on September 28, 2022.

Comments on the proposed amendment can be submitted via email to [DisasterRecoveryandMitigation@dca.nj.gov](mailto:DisasterRecoveryandMitigation@dca.nj.gov) or to the attention of Lisa Ryan at New Jersey Department of Community Affairs, 101 South Broad Street, P.O. Box 800, Trenton, New Jersey 08625-0800. All comments are given the same consideration regardless of the method of submission.

## SECTION 2: USE OF FUNDS ACROSS MULTIPLE GRANTS

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Through this amendment, the State signals its intent to use Community Development Block Grant – Disaster Recovery (CDBG-DR) funds interchangeably across disaster allocations. In addition to the CDBG-DR grant received for the recovery from Superstorm Sandy, the State received an allocation of CDBG-DR funds through Public Law 117-43 in response to Hurricane Ida. Pursuant to Federal Register (FR) Notice 6323-N-01(iV)(A)(3), the State intends to dedicate Sandy funds to address unmet needs from both disasters.

### **A. Authority for Interchangeability of Disaster Funds**

Public Law 117-43 (“Appropriations Act”) allows the Secretary to authorize CDBG-DR grantees that had previously received a CDBG-DR award to also receive an award in the current Appropriations Act and use those funds interchangeably and without limitation for the same activities to address unmet recovery needs in the most impacted and distressed (MID) areas of both disasters when the MID areas overlap. Based on this authority, the Secretary allowed interchangeability in FR Notice 6326-N-01(IV)(A)(3).

### **B. State Intent to Use Superstorm Sandy CDBG-DR Funds for Hurricane Ida CDBG-DR Recovery.**

The State has been granted funds for both Superstorm Sandy and Hurricane Ida, making the State eligible to use funds interchangeably for programs that benefit the overlapping MIDs of Bergen, Essex, Hudson, Middlesex, Passaic, and Union counties. The State intends to use a portion of the surplus from Superstorm Sandy CDBG-DR program funds to further support the programs created with Hurricane Ida CDBG-DR funds.

The State will take the following actions to reflect the change:

- The State will update existing or create new policies and procedures to reflect the new use of Sandy program funds.
- The State will revise the Consolidated Action Plan to include these new Sandy programs that aid in Hurricane Ida recovery.
- The State has conducted an unmet needs analysis<sup>1</sup> for both Superstorm Sandy CDBG-DR and Hurricane Ida CDBG-DR funds to justify and capture the reallocations described in this amendment, further demonstrating the new intended use of funds.

The State will comply with all relevant restrictions on this authorization and will confirm that the necessary measures are in place to ensure the appropriate use of funds.

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<sup>1</sup> See Section 4 for the unmet needs analysis.

## SECTION 3: SANDY REALLOCATION

This section details the current allocations, existing expenditures, and forecasted expenditures for programs created to aid in the recovery from the effects of Superstorm Sandy. By examining the existing programs' budget allocations and their forecasted expenditures, the State can determine unutilized Sandy recovery funding that can be reallocated to overlapping U.S. Department of Housing and Urban Development (HUD)-identified MID counties to aid in the recovery from Hurricane Ida.

To prepare this financial assessment, the New Jersey Department of Community Affairs (DCA) consulted with staff and evaluated data from the following agencies:

- New Jersey Department of Community Affairs (DCA)
- New Jersey Department of Environmental Protection (DEP)
- New Jersey Housing and Mortgage Finance Agency (HMFA)
- New Jersey Economic Development Authority

The State continues to address remaining Sandy recovery needs through active recovery programs and is closing out completed programs. Part of this process includes regular program needs assessments, expenditure reviews, and forecasting. Some Sandy programs have generated program income, which has increased the amount of funding available for programmatic activities included in the Ida Recovery Action Plan. Table 1 shows the projected surplus funding from Sandy recovery programs after subtracting the expenditure forecast from the allocation plus program income. Through Action Plan Amendment 48 (APA 48), the State will create new programs and reallocate a portion of the Sandy surplus funds to those programs to assist the households in overlapping HUD-identified MID counties that have been impacted by Superstorm Sandy and Hurricane Ida.

**Table 1: NJ Sandy Recovery Programs With Forecasted Budget Surpluses**

Program Category	Program/Activity	Agency	Allocation Plus Program Income	Expenditure Forecast	Projected Program Surplus
Homeowner Assistance Programs	Blue Acres Buyout Program	DEP	\$122,364,3992	\$82,164,399	\$40,200,000
Rental Housing and Renter Programs	Fund for Restoration of Large Multifamily Housing	HMFA	\$677,754,8503	\$665,354,850	\$12,400,000
<b>Total</b>					<b>\$52,600,000</b>

Table 2 shows the amount of funding (\$52,600,000) that will be reduced from previously approved Sandy program allocations (top row) and moved to each of the newly created programs to assist in the recovery from Hurricane Ida in the eligible overlapping counties (left column).

<sup>2</sup> This allocation reflects the transfer of \$4,800,000 to the Resilient NJ Program proposed in Action Plan Amendment 48.

<sup>3</sup> This allocation includes \$14,423,647 in program income.

**Table 2: Budget Reallocations From Sandy Recovery Programs to Ida Recovery Programs**

Newly Created Programs for Ida Recovery in Overlapping Counties	Superstorm Sandy Programs		
	Blue Acres Buyout Program	Fund for Restoration of Large Multifamily Housing	Total
Homeowner Assistance and Recovery Program	-	\$8,160,000	<b>\$8,160,000</b>
Smart Move	\$5,000,000	-	<b>\$5,000,000</b>
Blue Acres	\$18,000,000	-	<b>\$18,000,000</b>
Neighborhood Landlord Program	\$760,000	\$4,240,000	<b>\$5,000,000</b>
Tenant-Based Rental Assistance	\$5,000,000	-	<b>\$5,000,000</b>
Housing Counseling and Legal Services	\$4,000,000	-	<b>\$4,000,000</b>
Resilient Communities	\$2,940,000	-	<b>\$2,940,000</b>
FEMA Non-Federal Cost Share	\$2,500,000	-	<b>\$2,500,000</b>
Statewide Housing Mitigation Tool	\$2,000,000	-	<b>\$2,000,000</b>
<b>Total</b>			<b>\$52,600,000</b>

Table 3 shows the proposed Sandy budget changes. The current Sandy recovery CDBG-DR program and program income budgets, minus the budget to the newly created programs to assist in the recovery from Hurricane Ida in the eligible overlapping counties, equals the updated Sandy program allocation and program income budget.

**Table 3: Proposed Sandy Budget Changes**

	Blue Acres Buyout Program	Fund for Restoration of Large Multifamily Housing	Total
Current Sandy Program Allocation + Program Income	\$122,364,399 <sup>4</sup>	\$677,754,850	<b>\$800,119,249</b>
Total Allocation Changes to Hurricane Ida Programs	-\$40,200,000	-\$12,400,000	<b>-\$52,600,000</b>
Updated Sandy Program Allocation + Program Income	\$82,164,399	\$665,354,850	<b>\$747,519,249</b>

<sup>4</sup> This number is based on the approval of Sandy Action Plan Amendment 48.

## SECTION 4: IDA UNMET NEEDS

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This section follows HUD requirements and details the losses and needs resulting from the remnants of Hurricane Ida, including unmet housing, infrastructure, economic revitalization, and mitigation needs. The information collected through the unmet recovery and mitigation needs assessment process serves as the foundation for the State's CDBG-DR program funding and prioritization decisions.

To prepare the unmet needs assessment, DCA consulted with staff and utilized data from the following:

- U.S. Department of Housing and Urban Development (HUD)
- Federal Emergency Management Agency (FEMA)
- Small Business Administration (SBA)
- Local and county governments
- DCA
- DEP
- HMFA
- New Jersey Economic Development Authority

HUD requires funds to be used for costs related to unmet needs in the MID areas resulting from qualifying disasters. HUD has identified MID areas for Hurricane Ida and has allowed the State to identify additional MIDs that were presidentially declared disasters during Hurricane Ida. Of the HUD-identified MID areas that HUD provided to New Jersey, the following counties were also impacted by Superstorm Sandy or Hurricane Irene. These are considered overlapping counties, in that they are MIDs for both Hurricane Ida and Superstorm Sandy.

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County (Irene)
- Union County

### Housing

The State has assessed the unmet housing needs within the overlapping counties by comparing the awarded individual assistance provided to both homeowners and renters who have applied for FEMA Individual Assistance (IA) with their FEMA-assessed verified loss amounts. The housing unmet need number represents the impact on housing that needs to be rehabilitated, reconstructed, or newly built, based on the SBA multiplier. The SBA multiplier—a standard approach used by HUD to value actual costs to repair real property—is an average ratio that is based on households whose losses were assessed by both FEMA and SBA and shows the average difference between the SBA and the FEMA assessment. Using these multipliers, the

State can better project the actual costs to repair or rebuild homes to completion. Insurance proceeds were not used in the calculation because the specific amount of insurance proceeds available for housing recovery is unknown. The data are not categorized at a level that allows distinction between the commercial and residential real or personal property losses.

**Table 4: Housing Unmet Need by Applicant Type, Based on FEMA IA Data**

Applicant Type	Number of Impacted Households With Major to Severe Damages	FEMA Verified Loss Amount	Individual Assistance Awarded	Remaining Unmet Need
Owner	6,163	\$110,265,963	\$58,258,285	\$52,007,678
Renter	3,936	\$18,542,130	\$10,096,689	\$8,445,441
<b>Total</b>	<b>10,099</b>	<b>\$128,808,093</b>	<b>\$68,354,974</b>	<b>\$60,453,119</b>

**Table 5: Owner Households Verified Loss and Unmet Need, Based on FEMA Data**

Category	No. of FEMA IA Applicants	Avg. FEMA Verified Loss	Total FEMA Verified Loss	Total FEMA IA Award Amount	Total Unmet Need
Severe	646	\$45,265	\$29,241,041	\$10,011,316	\$19,229,726
Major-High	1,632	\$21,994	\$35,893,437	\$19,353,760	\$16,539,677
Major-Low	3,885	\$11,617	\$45,131,484	\$28,893,209	\$16,238,275
Minor-High	14,910	\$5,216	\$77,770,807	\$59,626,389	\$18,144,418
Minor-Low	7,610	\$1,792	\$13,640,550	\$12,279,166	\$1,361,384
<b>Total</b>	<b>28,683</b>	<b>\$7,031</b>	<b>\$201,677,319</b>	<b>\$130,163,840</b>	<b>\$71,513,479</b>

The State performed a comparative analysis of the homeowner applications received by FEMA IA and the applications that the SBA received for disaster-related assistance. By comparing verified loss amounts from individuals who had both FEMA IA applications and SBA disaster loan applications, the State was able to create a FEMA IA-to-SBA multiplier that could be applied to the FEMA verified loss amounts to reach a more complete estimate of the damage assessed by FEMA. Table 6 shows the number of households that registered with both FEMA IA and the SBA and calculates the SBA multiplier.

**Table 6: SBA Multiplier Calculation**

Category	No. of Applicants With Both SBA and FEMA IA Applications	FEMA Rp Avg. Fvl	SBA Rp Avg. Fvl	Multiplier
Severe	210	\$47,758	\$115,881	2.43
Major-High	412	\$22,317	\$70,848	3.17
Major-Low	794	\$11,676	\$54,543	4.67
Minor-High	2,584	\$5,366	\$43,150	8.04
Minor-Low	1,030	\$1,836	\$35,746	19.47
<b>Total</b>	<b>5,030</b>	<b>\$9,576</b>	<b>\$50,059</b>	

When the SBA multiplier is applied to the FEMA verified loss amount, the number of applicants who qualified as having major-to-severe damage increased as well as the anticipated recovery need, as demonstrated in Tables 7 and 8 below.

**Table 7: Owner Households SBA Multiplied Verified Loss and Unmet Need**

Category	No. of FEMA IA Applicants	Avg. Modified FEMA Verified Loss	Total Modified FEMA Verified Loss	Total FEMA IA Award Amount	Total Unmet Need
Severe	18,395	\$1,001,406,077	\$1,001,406,077	\$99,307,481	\$902,098,595
Major-High	8,708	\$231,044,300	\$231,044,300	\$29,581,719	\$201,462,581
Major-Low	532	\$7,837,550	\$7,837,550	\$584,764	\$7,252,787
Minor-High	182	\$893,527	\$893,527	\$92,054	\$801,473
Minor-Low	866	\$399,127	\$399,127	\$597,821	\$0
<b>Total</b>	<b>28,683</b>	<b>\$1,241,580,581</b>	<b>\$1,241,580,581</b>	<b>\$130,163,840</b>	<b>\$1,111,615,436</b>

**Table 8: Housing Unmet Need in Overlapping Counties by Applicant Type**

Need Calculation Methodology	No. of Impacted Owner Households With Major to Severe Damages	Estimated Reconstruction or Replacement Need
FEMA Verified Loss	6,163	\$144,377,964
SBA Multiplier	27,635	\$1,240,287,927
Difference (additional need projected using SBA multiplier)	21,472	\$1,095,909,963

Table 9 shows the calculations that the State took to determine the total housing unmet need following the reduction of disaster funding from other sources (FEMA IA/SBA). Insurance proceeds were not included in the calculation because the specific amount of insurance proceeds available for housing recovery is unknown. The data were not available at the required level of detail that allows for the distinction between the commercial and residential real and personal property losses.

**Table 9: Anticipated Unmet Hurricane Ida Housing Need in Overlapping Counties**

Unmet Need	
Housing Need Identified (Owner + Renter)	\$1,260,122,712
Disaster Award and Funding Sources	
<i>Funding Source</i>	<i>Disaster Award Amount</i>
FEMA Individual Assistance	\$140,260,529
SBA Disaster Loans	\$152,626,867
Insurance	To be determined
<b>Total</b>	<b>\$292,887,396</b>
Unmet Need Calculation	
Housing Need Identified	\$1,260,122,712
Total Funding from Other Sources	\$292,887,396
<b>Total Unmet Need</b>	<b>\$967,235,316</b>



## Infrastructure

FEMA, SBA, New Jersey State agencies, and local communities have identified considerable impacts on public facilities and infrastructure from Hurricane Ida. While FEMA has determined more than \$10,000,000 in damages to be eligible under its Public Assistance Program (FEMA PA), that number does not reflect the entirety of the hurricane's infrastructure impacts. Not only was the damage considerable in scale, but the storm impacted a wide range of facility types, including public buildings, roads and bridges, utilities, and parks. Damage was often concentrated in densely populated urban areas.

To assess the unmet infrastructure needs in the overlapping counties, DCA worked with FEMA to estimate the extent of the damage to infrastructure and public buildings, identify gaps in funding, and determine projects that were eligible for FEMA PA. The financial need is expected to grow over time as more projects are finalized and the current cost of projects are recalculated as they move toward construction.

Table 10 shows the anticipated unmet needs as it relates to FEMA PA in the overlapping counties. The total need is the local match plus the 15% resilience multiplier that represents the additional construction costs associated with fortifying the project to make them resilient to future disaster events.

**Table 10: Anticipated Unmet Hurricane Ida FEMA PA Need in Overlapping Counties**

FEMA PA Category	Estimated FEMA PA Cost	Local Match	Resilience (15%)	Total Need
C	\$2,304,315	\$256,035	\$384,052	\$640,087
D	\$758,932	\$84,326	\$126,489	\$210,814
E	\$2,798,894	\$310,988	\$466,482	\$777,470
F	\$1,101,794	\$122,422	\$183,632	\$306,054
G	\$523,676	\$58,186	\$87,279	\$145,465
<b>Total</b>	<b>\$7,487,611</b>	<b>\$831,957</b>	<b>\$1,247,935</b>	<b>\$2,079,892</b>

## SECTION 5: ACTION PLAN MODIFICATION

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This section includes program descriptions, eligibility criteria, and other details on new Sandy programs created to address eligible Hurricane Ida recovery needs.

### Homeowner Assistance and Recovery Program

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Fund for Restoration of Large Multifamily Housing	\$677,754,850	(\$8,160,000)	\$669,594,850
Homeowner Assistance and Recovery Program	\$0	\$8,160,000	\$8,160,000

#### Program Description

The program provides grants to eligible homeowners for activities necessary to restore their storm-damaged homes, including rehabilitation, reconstruction, elevation, and/or other mitigation activities. These mitigation activities include but are not limited to structural and utility retrofits to make the building more resistant to floods, grading and slope stabilization, and drainage improvements. Only costs incurred after an award is made will be eligible for reimbursement. Reimbursement of pre-award costs is not allowed.

All applicable elevation, construction, and contractor standards will be followed, and details will be provided in the program guidelines.

Homeowners living in the Special Flood Hazard Area (SFHA) or other DEP-designated flood risk areas will be required to obtain and maintain flood insurance. DCA will place a permanent flood insurance covenant on the property to ensure that flood insurance is maintained when ownership transfers.

Homeowners who are required to relocate due to rehabilitation or reconstruction through this program may be eligible for temporary relocation assistance.

In cases where homes have been substantially damaged, the cost to rehabilitate is not reasonable, or the home cannot be rehabilitated in a manner to reasonably accommodate the impacted household, homeowners may be eligible for reconstruction or acquisition at current fair market value and incentivized to relocate.

The State proposes to reallocate \$8,160,000 to further assist homeowners with their recovery needs. The funds are provided from a surplus in the Sandy Fund for Restoration of Large Multifamily Housing and do not affect the ability of that program to meet its obligations.

#### Program Tieback to Disaster/Unmet Needs

The program is limited to Hurricane Ida-impacted individuals and properties. Through this program, DCA will help address impacted communities' unmet housing recovery needs and help build long-term financial and disaster resilience for homeowners.

## How the Program Will Promote Housing for Vulnerable Populations

The State is committed to reducing barriers for vulnerable populations, homeowners still struggling to recover, and homeowners who have been unable to recover safely. To this end, the program design and engagement strategy includes but is not limited to:

- **Working closely with community-based organizations to conduct outreach and engagement and facilitate connections with vulnerable populations.** This approach is critical for reaching impacted residents who have not yet participated in other recovery programs, such as FEMA IA, and individuals with limited English proficiency.
- **Leveraging Racial and Ethnically Concentrated Areas of Poverty (RECAP) mapping, EPA’s Environmental Justice Screening and Mapping Tool (EJScreen), and data to perform additional targeted outreach and engagement.** Using [HUD’s Affirmatively Furthering Fair Housing mapping tool](#), the State will generate maps and reports to identify segregation trends, areas of concentrated poverty, disparity in housing needs and access to opportunity, and the location and tenant characteristics of publicly supported housing within the HUD and State MIDs. While the EJScreen does not provide data on every environmental impact or demographic indicator that may be relevant to a particular location, it does provide a nationally consistent perspective on demographic and environmental information. This information and mapping will help the State and its outreach partners further target program engagement and encourage participation in these areas.
- **Funding and facilitating access to housing counseling services for all program applicants through the supportive services (housing counseling and legal services) described below.** These services will provide wraparound and referral services for application, documentation, and long-term housing planning that may be needed for vulnerable populations as they move through the program. Populations served include survivors who are not experiencing homelessness but require supportive housing (e.g., elderly, frail elderly, persons with disabilities [mental, physical, or developmental], and formerly incarcerated persons); victims of domestic violence; persons with alcohol or other substance-use disorders; persons with HIV/AIDS and their families; and public housing residents.
- **Providing construction support services and project design support to applicants.** To help safeguard applicants from contractor fraud, price gouging, construction delays, and the time-consuming requirements of managing the housing recovery process, the State will provide construction support services to applicants as they complete their recovery efforts and will help homeowners secure the designs and specifications needed to obtain reasonable and implementable quotes and contracts from homebuilders.
- **Carrying out a phased and prioritization approach for application intake and processing that prioritizes low- to moderate-income (LMI) households, seniors, and individuals living with disabilities.** Two housing choice impediments facing New Jersey are declining housing affordability and the need for housing for special needs populations. Because housing prices in the State have risen significantly over the past 2 years, an increasing proportion of low-income households are experiencing inadequate or cost-burdened housing. Furthermore, there is a growing need for more housing for special needs populations such as the disabled, veterans, and those experiencing

homelessness. By prioritizing low-income households and households with a member who has a disability in the phased application process, this program will promote affordable housing for both vulnerable populations. The phasing approach is outlined in Table 12 below.

**Table 11: Homeowner Assistance and Recovery Program (HARP) Application Phases**

Application Phases		Phase I	Phase II	Phase III
Household Income	Less than 80% of AMI	X	X	X
	80% to 120% of AMI		X	X
	120% of AMI to \$250,000			X
Geography	Most Impacted	N/A	Prioritized	Prioritized
	Other Impacted			
Homeowner Aged 62+ AND/OR Household Member With a Disability	Yes	Prioritized	Prioritized	Prioritized
	No			
Level of Damage	Substantial Damage	N/A	Prioritized	Prioritized
	Moderate Damage			

### Program Definition of Second Home/Eligibility

Properties that served as second homes at the time of or following the disaster are not eligible for assistance for rehabilitation, reconstruction, new construction, replacement, or incentives. A second home is defined as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the disaster or at the time of application for CDBG-DR assistance.

### Program National Objective(s)

LMI persons and households; urgent need

The program may use the urgent need national objective to aid eligible disaster-impacted applicants with incomes greater than 80% of AMI.

### Program Eligibility

<b>CDBG-DR Eligible Activity</b>	Rehabilitation, reconstruction, elevation, acquisition, incentives, relocation assistance, and clearance; Housing and Community Development Act of 1974 (HCDA) Section 105(a)1, 2, 4, 5, 7, 8 and 11; and applicable waivers or alternative requirements.
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**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

## Eligible Applicants

- Eligible structure types include single-family homes, duplexes, triplexes, townhomes, modular homes, manufactured homes, and condominiums.
- The property owner must have occupied the home at the time of the disaster and own the property at the time of application.
- Home must have been the applicant's primary residence at the time of the disaster.
- Home must have at least 1 foot of flooding or \$8,000 in damages, as determined by FEMA or a program damage assessment.
- The homeowner must have a household adjusted gross annual income of \$250,000 or less.

## Owners of Duplexes and Triplexes

- Owner-occupied units: The homeowner and the unit must meet the above criteria.
- Non-owner-occupied units: Eligible for assistance under HARP if the homeowner agrees to rent one unit affordably for LMI households per program terms and conditions.

**Eligible Activities:** To meet the unmet housing recovery and resilience needs of each eligible applicant, DCA may include a variety of eligible homeowner assistance and recovery program activities. DCA will provide the awards necessary to repair, reconstruct, acquire, or replace the damaged property per program guidelines. Incentives also may be required to help applicants relocate if their property is acquired through HARP. Properties located in an SFHA or high-risk flood area as defined by DEP will be required to elevate their properties at or 3 feet above base flood elevation. Eligible costs also include demolition and removal of the original structure, if needed.

In addition, funds may be provided to address site-specific accessibility needs, infrastructure repairs, site remediation, elevation, and resilience and mitigation measures.

Eligible activities will be further detailed in the program guidelines, which will be available on the DCA website.

## Ineligible Activities

- Forced mortgage payoffs
- Funding for second homes
- Assistance for applicants who previously received federal disaster assistance and did not maintain flood insurance where required
- Compensation payments
- Assistance for the rehabilitation or reconstruction of a house, if (1) the combined household income is greater than either 120% of AMI or the national median, (2) the property was located in a floodplain at the time of the disaster, and (3) the property owner did not obtain flood insurance on the damaged property, even when the property owner was not required to obtain and maintain such insurance.
- Communities where residents are unable to obtain and maintain flood insurance. DCA, OEM, and/or DEP will work with non-participating National Flood Insurance Program

(NFIP) communities to try to help them identify solutions to their suspension from NFIP to minimize the impacts on homeowners.

### **Restrictive Covenants**

- To ensure that projects are completed per program requirements, applicants must agree to a restrictive covenant being recorded on the property until the project is completed and the property is occupied by the participant.
- Properties located in an SFHA or a high-risk flood area as defined by DEP will be required to obtain and maintain flood insurance. This requirement will be recorded as a permanent restrictive covenant on the property to ensure that future owners understand the flood insurance requirements.

### **Program Responsible Entity**

New Jersey DCA

### **Program Maximum Assistance**

Each award will be determined using consistent program construction and award calculation standards, which are summarized further in this section and will be detailed in the program guidelines.

The maximum assistance that applicants are eligible to receive will be determined based on the necessary and reasonable scope of work and cost of materials using industry-standard cost-estimating software, comparative and market analysis of price per square foot, and/or a review of multiple construction bids. For elevation and reconstruction projects, DCA or its agent(s) will prepare the design and scope of work, which will help limit and standardize costs and ensure that projects meet the desired resilience and energy efficiency goals. DCA will publish comprehensive construction standards, limitations, and eligible recovery and mitigation activities in the program guidelines, which will serve as the mechanism for establishing the maximum assistance that an applicant may receive through the program. Exceptions to these standards and eligible expenses may be required, and the exceptions review and approval processes will be further detailed in the program guidelines.

### **Program Estimated Begin and End Dates**

The program will open for applications in the first quarter of 2023. The program will end when all eligible participants have completed closeout, all budgeted funds have been expended, or within the Sandy grant expenditure deadlines.

### **Program Method of Distribution: Overview**

Homeowners will apply to the program, and program staff will work closely with applicants to determine their program pathway. The program is not a competitive program; however, it is phased and prioritized per the description above. DCA will enter into grant agreements with approved applicants directly.

For all homes built before 1978, DCA will oversee and/or procure inspection for lead, assessment, compliance monitoring, and lead clearance report services. The State will manage

these components on behalf of eligible applicants. Homeowners are responsible for procuring contractors to perform lead remediation and abatement, and DCA will help ensure that contractors perform the work in compliance with all applicable rules, regulations, and statutes.

Eligible applicants will be placed in of the following pathways:

- **Pathway 1: Homeowner-Contracted.** Homeowners procure registered and insured builders to perform the construction on their projects or engage with manufactured home dealers or sellers directly to purchase their replacement home. Homeowners are precluded from acting as their own contractors, unless approved by exception by DCA.
  - **Construction Support Services:** DCA will provide construction support services to assist applicants through their home rehabilitation, reconstruction, and/or replacement process.
  - **Feasibility and Design for Elevation and/or Reconstruction:** DCA will procure a pool of individual design firms that will prepare the geotechnical, engineering, architectural, and/or other design components to be provided to the applicant prior to them selecting their own contractor(s). All projects receiving elevation or reconstruction assistance will be required to use these DCA-provided services to develop their project scopes of work. Applicants who are rehabilitating their homes may ask for DCA feasibility and design support.
- **Pathway 2: Owner-Occupied and Affordable Rental Duplex/Triplex Rehabilitation or Reconstruction.** These applicants follow the same process as described under Pathway 1; however, there are additional components because they own attached units within their duplexes or triplexes. When an impacted homeowner lives in a duplex or triplex and owns the owner-occupied unit and the attached rental unit, the homeowner is required to rehabilitate the owner-occupied unit and the attached rental unit(s). Attached rental units are also eligible under HARP if the applicant commits to renting at least one unit as an affordable unit to an LMI household for a defined period of time, consistent with the affordability periods and property maintenance requirements described in the Neighborhood Landlord Program.
- **Pathway 3: Acquisition.** If the cost of rehabilitation of a property is not reasonable or if the rehabilitated property cannot reasonably accommodate the applicant, DCA may acquire the property from the applicant at current fair market value. Applicants also may qualify for incentives to relocate to a lower risk area. The final use and disposition of the property will meet an eligible activity and national objective.

## Smart Move: New Housing Development Program

Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$122,364,399	(\$5,000,000)	\$117,364,399
Smart Move: New Housing Development	\$0	\$5,000,000	\$5,000,000

## Program Description

### New Housing Development

The State is piloting a program that subsidizes the new development of quality, energy-efficient, resilient, and affordable housing in lower risk areas within or near disaster-impacted communities that are participating in Blue Acres or other buyout programs that are supported by different funding sources. The program aims to provide safe housing for relocating residents so they may stay in or near their communities after selling their high-risk properties.

DCA will competitively select two communities to participate in the pilot. Once the eligible communities have been selected, DCA will procure private, for-profit or nonprofit developers to build new housing that will be sold to qualified homebuyers or Blue Acres participants. In the initial pilot, DCA will prioritize qualified primary residential occupants who sold their high-risk, owner-occupied homes through the Blue Acres Buyout Program. As part of the pilot, the State may, depending on the availability of funding, incorporate alternative resilient and green energy solutions into the development, including but not limited to fuel cells or microgrids. New construction will meet HUD's Green and Resilient Building Standard, which requires that the new building meet an industry-recognized green building standard that has achieved certification and a minimum energy efficiency standard.

The new developments will be built outside the 500-year floodplain and the inland or coastal climate-adjusted floodplain, as defined by DEP. The site and housing designs will include additional resilience and energy efficiency construction standards, which will be defined in the program guidelines.

The State proposes to reallocate \$5,000,000 to further support this pilot program created under the Ida Action Plan. The funds are provided from a surplus in the Sandy Blue Acres Buyout Program and do not affect the ability of that program to meet its obligations.

### Occupants of the New Housing

This project will be developed and implemented in close coordination with DEP to facilitate the relocation of Blue Acres Buyout Program participants into the new development, where feasible. DCA will manage the application prioritization, review, and award processes for residents who acquire the new units. If approved, Blue Acres participants will be expected to utilize the net amounts of their buyout and incentive funds toward their new housing development purchase.

### Program Tieback to Disaster/Unmet Needs

Housing developed under this program will add resilient, energy-efficient, affordable stock to disaster-impacted communities. Areas are losing housing stock due to a lot of the dwellings not being suitable for rehabilitation through the Blue Acres Buyout Program.

### How the Program Will Promote Housing for Vulnerable Populations

The way the program promotes housing for vulnerable populations includes but is not limited to:



- **Developing energy-efficient, affordable housing in lower risk areas for individuals relocating from high-risk areas.** One of the greatest relocation barriers for LMI households living in high-risk areas is the availability of affordable, quality housing in lower risk areas. This pilot program seeks to expand affordable housing choices and rebuild financial equity for residents who have experienced repetitive losses, housing instability, and property devaluation.
- **Prioritizing LMI persons and households and relocating persons.** This priority approach provides opportunities for storm-impacted homeowners and renters to relocate to lower risk areas. DCA will prioritize the following individuals:
  - **Priority #1:** Households participating in the Blue Acres program within the jurisdiction of the Smart Move: New Housing Development area. This priority approach provides opportunities for relocating residents to remain in lower risk areas within their communities.
  - **Priority #2:** Ida-impacted households who are relocating through a Blue Acres program in another jurisdiction and/or Ida-impacted qualified first-time homebuyers with incomes at or below 120% of AMI.
- **Providing housing counseling and legal services to residents.** These services, offered through the public services program described further below, will provide financial and housing counseling to help residents budget the housing costs in their new home. These services will help residents understand their financial obligations; the difference in cost between their pre-storm home and the new home; and their post-award maintenance obligations, occupancy requirements, and other award conditions.
- **Working closely with community-based organizations to conduct outreach and engagement and using the DCA survey tool to reach vulnerable populations.** DCA has created a survey specifically for feedback from Ida-impacted homeowners and renters. The survey gathers information on residents' funding needs. DCA has partnered with community-based organizations and other State agencies to advertise the survey and solicit feedback. Outreach efforts specifically for distributing this survey have been and will continue to be made to reach RECAP areas.
- **Minimizing the concentration of poverty.** According to DCA's analysis of impediments, there is a concentration of subsidized housing in neighborhoods with relatively high levels of poverty. *Concentrated poverty* refers to areas where a high proportion of residents are poor. To determine whether an area has concentrated poverty, researchers analyze the share of people in a specific geographic area (usually a census tract) living in poverty. An area is often considered poverty concentrated if it is in a census tract where the poverty rate is 40% or higher, meaning that at least 4 in 10 people fall below the poverty line. The poverty line is lower than 30% of AMI levels in all Ida-impacted areas. This program will work with local governments and developers to identify sites to minimize concentrated poverty.

### **Sale to Initial Occupant**

Because the development of these homes and neighborhoods will be funded in part (or entirely) with CDBG-DR funding, the homes can be sold to LMI buyers at an affordable price. Buyers will work with HUD-certified housing counselors to establish a maximum amount that they can afford. The CDBG-DR investment in the property allows developers, the State, or local

governments to sell the units for less than full value, thus creating instant equity for the LMI homebuyer. The State will review the post-construction appraisal amount and ensure that no sale results in an unreasonable amount of equity for the homebuyer or return on investment for the developer.

**Affordability Periods**

Affordability periods will be documented through a restricted use covenant, mortgage, or other enforceable legal and financial mechanism.

Resale and recapture requirements will differ for both homeowners and homebuyers. Those are defined as follows:

- Homeowner: A resident who currently owns their home and is currently participating in a buyout program.
- Homebuyer: A resident who was not a homeowner at the time of the disaster and who meets the program definition of a first-time homebuyer. The criteria below will classify a first-time homebuyer:
  - Individuals who have had no ownership in a principal residence during the 3-year period ending on the date of purchase of the property. This may also include a spouse, so if either one meets the above test, they are considered first-time homebuyers.
  - Single parents who have only owned a property with a former spouse while married.
  - Individuals who are displaced homemakers and have only owned with a spouse.
  - Individuals who have only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations. Individuals who have only owned property that was not in compliance with State, local, or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

The State will detail resale and recapture requirements for homeowners and homebuyers in the program guidelines.

- Relocating Blue Acres homeowners will be subject to a 5-year occupancy period.
- For new homebuyers, the provision of housing through this development will meet the definition of new construction for homeownership, as described within 87 FR 31636. New homebuyers will follow the required minimum affordability periods within the HOME requirements at 24 CFR 92.254(a)(4), as described in the table below.

**Table 12: Affordability Periods, Based on Amount of Homeownership Assistance Provided to Homebuyer**

Homeownership Assistance Amount per Unit	Minimum Period of Affordability in Years
Less than \$15,000	5
\$15,000 to \$40,000	10
More than \$40,000	15

## Resale

For the new homebuyer properties, the resale requirements will be recorded as a deed restriction or covenant on the property. The restrictions will ensure that if the housing does not continue to be the principal residence of the household for the duration of the property period of affordability, the housing will be made available for subsequent purchase only to a buyer whose household qualifies as an LMI household and who will use the property as their primary residence.

Within the program guidelines, loan agreement, and deed restriction or covenant, the State will include language ensuring that the price at resale provides the homebuyer with a fair return on investment and that the housing will remain affordable to a reasonable range of low-income homebuyers. It also will include the details on how it will make the housing affordable to a low-income homebuyer should the resale price necessary to provide a fair return not be affordable to the subsequent buyer.

## Recapture

The recapture procedures and requirements will be detailed in the program guidelines.

## Program National Objective(s)

- LMI persons and households; urgent need
- The program may use the urgent need national objective to provide assistance to eligible disaster-impacted applicants with incomes greater than 80% of AMI.
- The national objective will be met upon occupancy of the new homes.

## Program Eligibility

<b>CDBG-DR Eligible Activity</b>	New construction, acquisition, clearance, and homeownership assistance; HCDA Section 105(a)1, 4, 5, 11, 14, and 24; and applicable waivers or alternative requirements.
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**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

## Eligible Developers

Approved applicants must be experienced developers in good standing with the State. The developers or partnerships may be for-profit or nonprofit entities. Additional eligibility requirements will be described in the program guidelines and the notice of funding availability (NOFA).

## **Eligible Developer Activities**

DCA, local governments, landlords, or other qualified organizations (e.g., public housing authorities, nonprofit organizations, or community land trusts) may acquire land for development. Developer-eligible costs include acquisition, demolition and clearance, soft and hard construction costs, resilience, energy efficiency, and other costs related to development. Specific activities will be detailed in the program guidelines and the NOFA.

## **Eligible Occupant Applicants**

- Homeowners whose homes were acquired through a Blue Acres Buyout Program.
- Ida-impacted renters or first-time homebuyers with household incomes at or below 120% of AMI.

## **Eligible Occupant Activities**

Assistance will be provided to homeowners and homebuyers, as needed, to purchase the home and make the home affordable. Assistance may be provided in the form of down payment assistance, a first mortgage, and/or a soft second mortgage. Blue Acres participants will be expected to utilize the net amounts of their buyout and incentive funds toward their new housing development purchase.

## **Program Responsible Entity**

New Jersey DCA

## **Program Maximum Assistance**

### **New Housing Development**

Within program guidelines and the NOFA, the State will define minimum construction standards that achieve the resilience, energy efficiency, affordability, and quality goals of the program. Because construction costs are changing quarterly, the State may publish a maximum per unit cap in the NOFA to reflect the costs more accurately at the time of developer selection. Prior to publishing the NOFA, the State will carry out an independent cost estimate to identify the maximum assistance that is necessary and reasonable for achieving the detailed resilience, energy efficiency, affordability, and quality construction standards.

Exceptions to the maximum award and eligible expenses may be required, and the exceptions review and approval processes will be further detailed in the program guidelines.

### **Occupants**

DCA and/or the HMFA will perform an individual financial analysis of each applicant to structure the award in a manner that makes the home affordable for the occupant. The details and timing of the analysis will be provided in the program guidelines. The award may be structured as a first or second mortgage and may be partially forgivable upon meeting the affordability terms. Applicants may not be required to qualify for a private first mortgage as a precondition of approval.

## Program Estimated Begin and End Dates

The State anticipates that the program will begin in the second quarter of 2023 and extend through project and program closeout or within the Sandy grant expenditure deadlines.

## Other Program Details

One goal of this pilot program is to provide proven alternative energy solutions that will reduce energy costs and address specific energy needs for post-disaster continuity of operations. Therefore, DCA may carry out alternative energy resilience projects based on feasibility components including:

1. Cost to build the energy resilience project
2. Cost to operate the energy resilience project
3. Whether the project is a green energy solution
4. The extent of the environmental benefits
5. The complexity and timeframe to install the project
6. The complexity of operating the project after completion
7. Whether the project will reduce residents' electrical costs
8. Whether the alternate source complements energy efficiency
9. The logistics and number of partners required to make the project implementable and sustainable
10. Whether the project can be replicated in other communities

## Program Competitive Application Overview

DCA will competitively select two jurisdictions for the initial pilot unless there is inadequate funding to complete two projects or additional funding is available to add another jurisdiction. Scoring criteria will be published in the NOFA documents and may include weighted levels of environmental site conditions, the feasibility of gaining site control, proximity to buyout or prospective buyout communities, concentrations of poverty, proximity and accessibility to infrastructure and public services, hazards, and other criteria that may impact the financial feasibility of the project as well as the livability and safety for the occupants relocating to the new development.

Once the sites have been selected, DCA will competitively select developers to carry out housing development. Scoring criteria will be published in the procurement documents and may include weighted levels of financial reasonableness, the ability to leverage other funding, resilient design, energy efficiency, affordable units, mixed income, and location.

## Program Method of Distribution: Overview

- DCA will administer the program and coordinate with DEP and local governments.
- DCA may partner with HMFA to underwrite project developments.
- DCA may partner with HMFA when applicants need mortgage financing assistance if they are unable to buy the house through a private first mortgage provider.

## Hurricane Ida Blue Acres Program

Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$117,364,399	(\$18,000,000)	\$99,364,399
Blue Acres for Ida Recovery	\$0	\$18,000,000	\$18,000,000

### Program Description

Blue Acres is a voluntary buyout and incentive program that will be administered by DEP. Buyouts are acquisitions of properties located in a floodway, floodplain, or other disaster risk reduction area that reduce the risk from future flooding. Under Blue Acres, buyout properties will be voluntarily sold to DEP or their designee for current fair market value (post-storm value) and must be converted to and maintained per open space, recreational or wetlands management, or other disaster risk reduction practices. The program also may provide incentives to eligible homeowners to help them afford the costs related to relocating to a lower risk area. Incentives may not be provided to compensate for a loss.

After properties are acquired, CDBG-DR funds also may be used to conduct demolition and debris removal activities; restore land as wetlands, floodplains, etc.; and serve a defined climate resilience purpose.

Properties purchased under this program will be owned by the State, units of general local government, or other eligible nonprofits and will be maintained in a manner consistent with risk reduction and State floodplain management goals. Property owners' participation in the program is entirely voluntary.

The program will be managed by DEP, which has a long and successful history of voluntary acquisition of real estate for open space, recreation, and natural resource restoration. The Green Acres program has been purchasing land for preservation for more than 50 years. For the past 2 decades, the State, through the Blue Acres program, has been purchasing flood-prone properties and restoring the natural landscape. Recent improvements have been made to Blue Acres to include proactive, climate resilience planning. This resilience planning will influence the buyout decision-making process and inform policy improvements that will encourage greater overall effectiveness.

The State proposes to reallocate \$18,000,000 to assist DEP with buyouts in high-risk areas. The funds are provided from a surplus in the Sandy Blue Acres Program and do not affect the ability of that program to meet its obligations.

### Program Tieback to Disaster/Unmet Needs

Hurricane Ida substantially affected certain New Jersey communities that have repeatedly sustained significant flood losses. Buyouts are a key component of addressing the varying threat of climate change at the community level. Buyouts are a vitally important component of the State's comprehensive, planned resilience strategy. Disaster-impacted communities have a unique opportunity to reevaluate their housing patterns and reimagine low-lying, vulnerable areas that are no longer suitable for residential housing. Funds for buyouts and other recovery solutions can help mitigate risk by correcting outdated land use patterns. Buying out flood-prone, disaster-impacted properties removes both people and property from harm's way.

Removing structures and improvements from the floodplain and floodway allows the land to return to its natural function, which is better able to absorb flood waters during future storms and severe weather events.

## How the Program Will Promote Housing for Vulnerable Populations

Severe weather events have affected and continue to negatively impact communities throughout New Jersey, and these events are clearly being exacerbated by climate change. Numerous riverine and coastal communities have a long-standing history of repeat flooding and storm-related losses. Many residents have experienced the cycle of damage and loss so many times that they are desperate for a permanent solution, such as a buyout. These homeowners hope that selling to the State will allow them to relocate to a safer, less flood-prone area so they can recover emotionally, financially, and physically. The decision to pursue a buyout is a complex, personal choice unique to every household, and the State of New Jersey is committed to an expedited, voluntary buyout process to assist those households who want to relocate and presenting them with an opportunity to do so.

The way the program promotes housing for vulnerable populations includes but is not limited to:

- **Prioritizing LMI persons.** Consistent with the State of New Jersey’s environmental justice goals and to maximize the use of CDBG-DR funds for buyouts, Blue Acres buyouts initially will be directed toward socially vulnerable populations and homeowners who are identified as LMI persons.
- **Lowering flood insurance premiums for the surrounding community.** Buying out flood-prone properties not only reasonably compensates people for moving out of harm’s way, but it also reduces the number of homes in floodplains, and therefore fewer homeowners are required to purchase flood insurance policies through the NFIP, leading to reduced flood risk ratings and reductions in insurance premiums for entire communities.
- **Working closely with local governments to understand high-risk areas, social vulnerabilities, and community or public services that depend on residents.** DEP will work closely with the local governments where buyouts will occur. This close coordination will help DEP understand the specific needs of residents living in high-risk areas. It also will help the State understand the community, social, and public supports and systems that are dependent upon the residents and upon which residents rely. This information is critical to understanding the impact buyouts have on community identity as well as on existing systems—including ratables and publicly provided infrastructure, transportation, public services, utilities, etc.—that comes with removing residents from an area and identifying ways to continue services or supports for relocating households.
- **Working closely with community-based organizations to conduct outreach and engagement and using the DCA survey tool to reach vulnerable populations.** DCA has created a survey specifically for feedback from Ida-impacted homeowners and renters. The survey gathers information on residents’ funding needs. DCA has partnered with community-based organizations and other State agencies to advertise the survey and solicit feedback. Outreach efforts specifically for distributing this survey have been and will continue to be made to reach racially and ethnically concentrated areas of poverty.

- **Leveraging Racial and Ethnically Concentrated Areas of Poverty (RECAP) mapping and data to perform additional targeted outreach and engagement.** Using HUD’s Affirmatively Furthering Fair Housing mapping tool, the State will generate maps and reports to identify segregation trends, areas of concentrated poverty, disparity in housing needs and access to opportunity, and location and tenant characteristics of publicly supported housing within the HUD and State MID areas. This information and mapping will help the State and its outreach partners further target program engagement and encourage participation in these areas. Buyout program proposals might be the only and highest offer an at-risk property receives. Coupling a buyout program and a relocation incentive might be the only opportunity for RECAP residents to build equity outside of at-risk areas. The new property is likely to increase in value over time; in contrast, residents’ current assets may have decreased in value due to being in an at-risk area.
- **Funding and facilitating access to housing counseling services for all program applicants through the supportive services (housing counseling and legal services) described below.** These services will provide wraparound and referral services for application, documentation, and long-term housing planning that may be needed for vulnerable populations as they move through the program. These populations include survivors who are not experiencing homelessness but require supportive housing (e.g., elderly, frail elderly, persons with disabilities [mental, physical, developmental], or formerly incarcerated persons); victims of domestic violence; persons with alcohol or other substance-use disorders; persons with HIV/AIDS and their families; and public housing residents. Applicants also may receive financial counseling to understand the changes in monthly and annual expenses associated with moving from their high-risk property to their new home. This will help ensure that homeowners are relocating to safer housing that is affordable for their household.

### Program National Objective(s)

- LMI persons and households; urgent need
- The program may use the urgent need national objective to aid eligible disaster-impacted applicants with incomes greater than 80% of AMI.

### Program Eligibility

#### CDBG-DR Eligible Activity

Acquisition and clearance; safe housing incentives; HCDA Section 105(a)1, 4, and 11; and applicable waivers or alternative requirements.

**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County



## Applicant Eligibility

- Homeowners whose properties:
  - Are vulnerable to climate change as determined by resilience planning.
  - Are located in the floodway or floodplain, have another quantifiable flood risk, or are located in another high-risk area designated by DEP.
  - Are in an area that has sustained repetitive flood- or storm-related losses.
  - Have a documented flood or loss from Hurricane Ida.
  - Served as a primary residence as either a full-time rental or owner-occupied home. Commercial properties and second homes are not eligible.

## Eligible Activities

DEP may voluntarily acquire properties located in a floodway, floodplain, or other disaster risk reduction area. Buyouts will be purchased for post-storm value and maintained as open space, recreational or wetlands management, or other disaster risk reduction practices. The program also may provide incentives to eligible homeowners to help them afford the costs related to relocating to a lower risk area. Incentives may not be provided to compensate for a loss.

After properties are acquired, CDBG-DR funds also may be used to conduct demolition and debris removal activities; restore land as wetlands, floodplains, etc.; and serve a defined climate resilience purpose.

## Safe Housing Incentive Conditions

The Safe Housing Incentive program is limited to primary residents. In exchange for receiving a safe housing incentive, applicants must agree to move to a lower risk area. For this program, a lower risk area is an area outside the SFHA or the 100-year floodplain as defined by FEMA, NFIP, and/or DEP's forthcoming inland flood rule.

Recognized by FEMA as a national best practice, the goal of the Blue Acres Buyout Program is to dramatically reduce the risk of future catastrophic flood damage for remaining communities and residents and to help New Jersey families move to lower risk areas.

## Program Responsible Entity

New Jersey DEP

## Program Maximum Assistance

Consistent with Federal Register Notice [FR-6326-N-01](#), the State will uniformly apply its valuation methodology.

**Buyouts:** Homes will be purchased at 100% of their current (post-Ida storm) fair market value as determined by the program's established valuation process.

**Safe Housing Incentives:** The program may award incentives to eligible applicants in addition to the buyout award. Incentives are available to owners who were primary residents at the time of the disaster. DEP and DCA will establish county, city, and/or State valuations of estimated costs to move to a lower risk area in the HUD- and State-identified MID areas. Incentives will be calculated as the difference between the value of a comparable replacement unit in a lower risk

area and the home's current fair market value. Homeowners who agree to move within the jurisdiction where the buyout occurred may be eligible for an additional incentive. The incentive valuation methodologies will be published in the program guidelines.

Exceptions to these maximum awards will be documented in the program guidelines. However, based on previous experience, additional incentives may be needed to help homeowners relocate when they face circumstances such as the following:

- The outstanding mortgage value is greater than the buyout and incentive award.
- The homeowner faces other demonstrated financial, personal, or medical hardships.

Tenants who are permanently displaced are eligible for assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA), as amended.

The program is entirely voluntary. Until a written agreement on the purchase price of the home has been reached, DEP, at its discretion, may decide not to move forward with the purchase of any home being considered for a buyout (the homeowner has the same option).

This program also may fund demolition and clearance activities to convert purchased property to open space. The State or local governments will manage and/or competitively procure these activities and will ensure that all costs are necessary and reasonable by developing site-specific or community-specific scopes of work.

### **Program Estimated Begin and End Dates**

The State of New Jersey anticipates the launch of the Hurricane Ida Blue Acres program in the first quarter of 2023. The program will end when all eligible participants have completed closeout, all budgeted funds have been expended, or within the Sandy grant expenditure deadlines.

### **Other Program Details**

Local government partnerships are important to the success of the Hurricane Ida Blue Acres program. DEP will work closely with these partners to identify areas that are feasible for buyouts. If there is not a municipal partner involved, DEP will work with other State partners to determine the feasibility of buyouts and the final use of the land.

Final ownership of the land will be determined by DEP in the program policies and procedures. Land ownership options include but are not limited to:

1. DEP retains as state-owned land
2. Land is transferred to another entity (nonprofit or local government)
3. Joint title is secured for restoration and future conservation

### **Program Method of Distribution: Overview**

DEP will administer this program. Interested homeowners apply directly to DEP.

DEP will coordinate closely with DCA and seek DCA's approval prior to awarding funding to a buyout community to facilitate relocation to lower risk housing, including to sites funded through the Smart Move: New Housing Development program, where feasible. This program also will be implemented in close coordination with HARP and the Neighborhood Landlord Program.

# Neighborhood Landlord Program

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Fund for Restoration of Large Multifamily Housing	\$669,594,850	(\$4,240,000)	\$665,354,850
Blue Acres for Sandy Recovery	\$99,364,399	(\$760,000)	\$98,604,399
Neighborhood Landlord Program	\$0	\$5,000,000	\$5,000,000

## Program Description

This program will provide zero-interest, forgivable loans to owners of rental properties with one to seven units requiring rehabilitation due to damages from Hurricane Ida. The program will restore or create additional affordable rental units in disaster-impacted areas. It also will work to alleviate blight in some of the areas that were hit hardest by the storm. Properties must maintain affordability periods in accordance with HOME program standards at 24 CFR 92.252l, as described in the program affordability section below.

The program will aid activities necessary to restore storm-damaged homes, including rehabilitation, reconstruction, elevation, and other mitigation activities. Assistance also may be provided to build new or restore rental housing that will become affordable rental housing within storm-impacted counties. Mitigation activities include but are not limited to structural and utility retrofits to make the building more resistant to floods, grading and slope stabilization, and drainage improvements. Assistance also may be provided to make housing accessible for individuals living with disabilities. Substantial rehabilitation, reconstruction, or new construction of properties with more than four rental units will include the installation of broadband infrastructure, where feasible. Only costs incurred after an award will be eligible for reimbursement. Reimbursement of pre-award costs is not allowed.

The State proposes to reallocate \$5,000,000 to further facilitate the repair and creation of quality, affordable housing units. The funds are provided from surpluses in the Sandy Fund for Restoration of Large Multifamily Housing and the Sandy Blue Acres Buyout Program and do not affect the ability of those programs to meet their obligations.

## Program Tieback to Disaster/Unmet Needs

The program will rehabilitate housing damaged by Hurricane Ida or will increase affordable rental housing stock in storm-impacted communities.

## How the Program Will Promote Housing for Vulnerable Populations

DCA is committed to increasing the availability of affordable rental units within the disaster-impacted areas, which will directly support housing for vulnerable populations. The way the program promotes housing for vulnerable populations includes but is not limited to:

- Providing assistance that results in the availability of long-term affordable rental housing for low-income renters.** According to DCA’s 2020 analysis of impediments, renters are the most housing cost-burdened group in the State. This program is designed to principally provide affordable rental housing to LMI households living in

disaster-impacted communities for a minimum of 5 years, with longer terms required for properties with significant CDBG-DR investment.

- **Utilization of accessibility standards and supporting code measures to support renters living with disabilities.** According to DCA's 2020 analysis of impediments, there is a lack of affordable housing units for renters living with disabilities. This program prioritizes units that were included in the State's accessible unit housing inventory through the [New Jersey Housing Resource Center](#) or an equivalent process that will be defined in the program guidelines. In addition, reasonable efforts will be made to ensure that program-funded units will have accessibility standards built into the rehabilitation design, thereby increasing accessible housing stock in the impacted areas. The scopes of work funded under the program will comply with applicable codes and standards. This will provide more safety measures for the tenant and thus a more sustainable and safer place to live.
- **Providing housing counseling services to tenants occupying affordable rental units.** Tenants occupying the rehabilitated units will be given access to housing counseling services. They will be informed of their fair housing rights, the maximum rents that landlords may charge them (including whether they have housing choice vouchers or other subsidies), and the availability of support for limited English proficiency individuals in understanding the home rental process. This strategy is consistent with helping address New Jersey fair housing impediments, which include difficulty in accessing housing and understanding the home rental process for people with limited English proficiency and a lack of public information about fair housing law rights and responsibilities.
- **Providing housing counseling services to landlords.** Landlords are required to undergo financial and housing counseling in exchange for participating in the program. Counseling will include fair housing training, how to account for housing choice and other rental payments in what they charge tenants, reporting and tenant eligibility requirements, and the terms and conditions of their awards. The property owner will be instructed on all federal and State fair housing laws and regulations, including the prohibition of discrimination based on federal or State protected classes.
- **Leveraging existing resources and engaging community-based organizations, nonprofits, community housing development organizations, and public housing authorities to conduct outreach, facilitate engagement, and connect affordable units with vulnerable populations.** By working closely with community-based organizations, DCA will be able to access vulnerable impacted renters who may not yet have participated in other recovery programs. Outreach and engagement will target households and landlords with limited English proficiency and households at or below 30% of AMI. DCA also will make efforts to match survivors with landlords by utilizing various websites and social media platforms, such as [www.AffordableHomesNewJersey.com](http://www.AffordableHomesNewJersey.com), and posting their properties on the New Jersey Housing Resource Center.

## Program Affordability Period

To meet the LMI national objective, rental housing assisted with CDBG-DR funds must be principally rented to LMI households at affordable rents. This means that at least 51% of the

units must be affordable, with exceptions included in the table below for properties with one and two units. The number of units that must be occupied and leased at affordable rents are included in Table 13. The affordability periods apply to the affordable units.

**Table 13: Number of Affordable Units by Property Size**

Number of Total Units in Property	Number of Units That Must be Affordable to LMI Households
1	1
2	1
3	2
4	3
5	3
6	4
7	4

### Affordability Period

The affordability timeframes in Table 14 apply to the units that will be occupied by LMI households.

**Table 14: Affordability Periods, Based on Amount of Rehabilitation Assistance for Rental Housing**

Rental Housing Activity Rehabilitation or acquisition of existing housing per unit amount of CDBG-DR funds	Minimum Period of Affordability in Years (after initial occupancy)
Less than \$15,000	5
\$15,000 to \$40,000	10
More than \$40,000 or rehabilitation involving refinancing	15
New construction, reconstruction, or acquisition of newly constructed housing	20

### Affordable Rents

Rents payable by the household plus utilities may not exceed 30% of income for a household earning 80% of AMI. DCA will publish the affordable rents annually so that participating landlords and tenants understand the maximum affordable rents that may be charged on affordable units.

### Other Requirements and Enforceability

This affordability period will be documented through a personally guaranteed loan and restricted use covenant. Both will be in place until the end of the affordability period or until the loan is paid in full.

Properties located in an SFHA or high-risk flood area as defined by DEP will be required to obtain and maintain flood insurance. This requirement will be recorded as a permanent

restrictive covenant on the property to ensure that future owners understand the flood insurance requirements.

### Program Definition of Second Home/Eligibility

A second home is defined as a home that is not the primary residence of the owner, a tenant, or any occupant at the time of the disaster or at the time of application for CDBG-DR assistance. Second homes are not eligible under this program.

### Program National Objective(s)

LMI persons and households; urgent need

The program may use the urgent need national objective to aid eligible disaster-impacted applicants with incomes greater than 80% of AMI.

### Program Eligibility

#### CDBG-DR Eligible Activity

Rehabilitation, reconstruction, elevation, acquisition, and lead-based paint and clearance; HCDA Section 105(a)1, 2, 4, 5, 11, and 25; and applicable waivers or alternative requirements.

**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

Additional funding will be made for Ida-impacted communities that overlap with Sandy and Irene MID areas through the Sandy CDBG-DR-funded Neighborhood Landlord Program. These eligible locations include cities and jurisdictions within the HUD-identified counties of Bergen, Essex, Hudson, Middlesex, Passaic, and Union.

### Applicant Eligibility

- Eligible applicants include any public, private, for-profit, or nonprofit entity that owns the subject property at the time of application.
- Priority may be given to the original owners who owned the property continuously from the time of the storm until the time of application for assistance.
- New owners include those entities who: (1) purchased the property after the storm or have an option to purchase, or other suitable form of site control for an eligible property that received a significant amount of damage during the storm; and (2) wish to exercise that option in order to rehabilitate the property.
- Properties must have seven or fewer units.

## Eligible Activities

Eligible activities include those necessary to restore storm-damaged homes, including rehabilitation, reconstruction, elevation, and other mitigation activities. Assistance also may be provided to build new or restore rental housing that will become affordable rental housing within storm-impacted counties. Mitigation activities include but are not limited to structural and utility retrofits to make the building more resistant to floods, grading and slope stabilization, and drainage improvements. Assistance also may be provided to make housing accessible for individuals living with disabilities. Substantial rehabilitation, reconstruction, or new construction of properties with more than four rental units will include the installation of broadband infrastructure, where feasible. Only costs incurred after an award will be eligible for reimbursement. Reimbursement of pre-award costs is not allowed.

Displaced tenants are eligible for assistance under the URA. The program guidelines will define situations where landlords are responsible for covering eligible tenant displacement costs and when those tenants may be eligible to receive additional assistance through the Neighborhood Landlord Program or other programs, including but not limited to the Tenant-Based Rental Assistance program.

## Restrictive Covenants

- To ensure that projects are completed per program requirements, applicants must agree to a restrictive covenant being recorded on the property through the affordability terms.
- Properties located in an SFHA or high-risk flood area as defined by DEP will be required to obtain and maintain flood insurance. This requirement will be recorded as a permanent restrictive covenant on the property to ensure that future owners understand the flood insurance requirements.

## Program Responsible Entity

New Jersey DCA

## Program Maximum Assistance

Construction costs are fluctuating significantly within the disaster-impacted areas. To avoid artificially or unintentionally increasing costs or creating expectations that applicants should receive more funding than needed per program standards, the State is not publishing an award cap. Each award will be calculated using consistent program construction and award calculation standards that are summarized further in this section and will be detailed in the program guidelines.

The maximum assistance that applicants are eligible to receive will be determined based on the necessary and reasonable scope of work and the cost of materials using industry-standard cost-estimating software, comparative and market analyses of price per square foot, and/or the review of multiple construction bids. For elevation and reconstruction projects, DCA will prepare the design and scopes of work, which will help limit and standardize costs and ensure that the projects meet the desired resilience and energy efficiency goals. DCA will publish comprehensive construction standards, limitations, and eligible recovery and mitigation activities in the program guidelines, which will serve as the mechanism for establishing the maximum assistance that an applicant may receive through the program. Exceptions to these standards and eligible expenses

may be required, and the exceptions review and approval processes will be further detailed in the program guidelines.

### Program Estimated Begin and End Dates

The program will open for applications in the first quarter of 2023. The program will end when all eligible participants have completed closeout, all budgeted funds have been expended, or within the Sandy grant expenditure deadlines.

The State will continue to monitor landlords through the completion of their affordability period, which may extend beyond the life of the grant agreement with HUD.

### Program Competitive Application Overview

The program will be implemented in phases. Additional priorities may be added within Phases I or II if the program is oversubscribed. For this program, the State has prioritized the following types of rental units:

- Accessible units: Those units included in the State’s accessible unit inventory through the [New Jersey Housing Resource Center](#) and/or units as defined in the program guidelines
- Units occupied by residents aged 62+
- Properties owned by the original owner
- Properties with one to four units

**Table 15: Neighborhood Landlord Application Phases**

Application Phases		Phase I	Phase II
Unit Occupancy	Occupied by residents aged 62+	X	X
	Accessible unit	X	X
	Other units		X
Unit Ownership	Original owner	<i>Prioritized</i>	<i>Prioritized</i>
	New owner		
No. of Units in Property	1–4	<i>Prioritized</i>	<i>Prioritized</i>
	5–7		

### Program Method of Distribution: Overview

DCA will implement this program. Landlords apply directly to DCA for assistance.

The housing and financial counseling requirements described in this program will be funded through the public services program described below.

### Hurricane Ida Tenant-Based Rental Assistance Program

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$98,604,399	(\$5,000,000)	\$93,604,399
Tenant-Based Rental Assistance	\$0	\$5,000,000	\$5,000,000



## Program Description

Through the Tenant-Based Rental Assistance program, the State will supplement rental housing costs for low-income rental families impacted by Hurricane Ida, thereby making rental housing more affordable. The State is requesting a regulatory waiver from HUD to allow for providing direct rental assistance to renters (rather than having to provide funding to landlords) for a period of up to 24 months. The program will initially prioritize households with incomes at or below 30% of AMI.

The program provides at-risk disaster survivors with the assistance needed to access stable and affordable housing while they work toward their long-term recovery. This intermediate assistance is critical for helping residents preserve personal savings, retirement, and any other assets needed to meet their permanent recovery plan and long-term financial resilience. These resources also help protect impacted residents from having to take on additional debt, including high-interest and predatory debt that increases the vulnerability of survivors to current and future disasters and household disruptions. By addressing the immediate housing and financial vulnerability of displaced renters, the program mitigates the impact of future storm damage by moving residents to safer housing and preparing them for financial success.

The State proposes to reallocate \$5,000,000 to further assist rental families. The funds are provided from a surplus in the Sandy Blue Acres Buyout Program and do not affect the ability of that program to meet its obligations.

## Program Tieback to Disaster/Unmet Needs

The program provides financial and supportive assistance to renter households residing in HUD- and State-identified MID areas or displaced by Hurricane Ida.

## How the Program Will Promote Housing for Vulnerable Populations

- **Partnering with housing counseling, nonprofit, and social service organizations.** By partnering with housing counseling agencies and other community-based organizations, the program will make a concerted effort to engage with the hardest-to-reach, most vulnerable populations who may be experiencing homelessness or are at risk of homelessness due to the disaster. These vulnerable populations are at the highest risk of being precariously housed. The housing counseling agencies and community-based organizations can help renters find housing, provide fair housing training, and provide the essential wraparound services to help keep a precariously housed person or family stably housed.
- **Implementing a phased prioritized method of application intake that prioritizes extremely LMI households.** There are significant barriers facing extremely low-income households in the State of New Jersey, including declining housing affordability, the need for housing for special needs populations, and equitable access to fair housing information for households with limited English proficiency. This program will assist individuals and households who are experiencing homelessness or housing instability or are at risk of experiencing homelessness due to the lack of affordable intermediate housing options. Households that are at or below 30% of AMI will receive first priority in the application process. By providing a prioritized and phased approach based on

vulnerability in the application process, this program will promote safe, affordable, stable housing for the most vulnerable and special needs populations.

- **Providing multiple paths of entry to the program.** Applicants will be able to apply to the program through housing counseling agencies and partners or through DCA directly or the survey. If needed, DCA will identify other ways to bring people into the program to reduce obstacles and duplicative application processes.
- **Ensuring equal access to critical information for all protected classes.** The program will be designed to ensure that all federally and State-protected classes and other qualifying disaster survivors who are unstably housed due to the disaster can be housed temporarily until they may benefit from a permanent subsidized housing recovery program. This program also will provide critical supportive services to vulnerable populations through housing navigation and case management. The local language access plan will be utilized by all partner organizations, and resources will continue to be made available in multiple languages to improve access to affordable housing. The State will provide information regarding the availability of affordable rental and homeownership opportunities through the New Jersey Housing Resource Center. Their website provides an online resource to locate affordable and accessible housing. This website is free to use, and searches can be conducted in multiple languages.

## Program National Objective(s)

LMI persons and households

## Program Eligibility

### CDBG-DR Eligible Activity

Public Service: Section 105(a)(8); Rental Payments: 24 CFR 570.207(b)4; and applicable waivers or alternative requirements.

**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

## Applicant Eligibility

LMI rental households who: (1) resided in one of the most-impacted counties at the time of the storm, or (2) will be moving into one of the most impacted counties. Priority will be given to households at or below 30% of AMI.

## Eligible Activities

Rental assistance will be provided for up to 24 months. The program also will refer applicants to supportive services through housing counseling and community-based organizations.

## Program Responsible Entity

New Jersey DCA

## Program Maximum Assistance

The maximum amount of assistance an applicant may receive is described below:

- Rental assistance: On a monthly basis, for up to 24 months of rental payments.<sup>5</sup> The amount of the subsidy will be the total of the monthly rent and utility allowance minus the amount to be paid by the tenant, not to exceed 30% of the tenant's adjusted gross monthly income. The program will subsidize the difference between the *tenant rent* and the *unit rent and utility allowance*. The unit rent may not exceed 130% of HUD's fair market rent for the county in which the unit is located.
- Other housing assistance (e.g., utilities, security deposits): Limited to actual costs and a cost reasonableness review.
- Security deposits: Limited to up to 1.5 months.
- Moving costs: Per the General Services Administration schedule, to be paid up to two times per participant (moving in and moving out).
- Other necessary and reasonable deposits or non-recurring fees and charges.

## Program Estimated Begin and End Dates

The program will be open for applications in the first quarter of 2023. The program will end when all eligible participants have completed closeout, all budgeted funds have been expended, or within the Sandy grant expenditure deadlines.

## Program Competitive Application Overview

The State will not structure this program competitively; however, the program will prioritize households with incomes at or below 30% of AMI and households living in non-congregate shelters. If the program is oversubscribed, the State may add additional prioritization factors.

## Program Method of Distribution: Overview

DCA will administer the program directly.

## Hurricane Ida Housing Counseling and Legal Services

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$93,604,399	(\$4,000,000)	\$89,604,399
Housing Counseling and Legal Services	\$0	\$4,000,000	\$4,000,000

## Program Description

The Housing Counseling and Legal Services program was developed by DCA to provide a wide range of counseling services to both renters and homeowners impacted by Hurricane Ida.

<sup>5</sup> A waiver request to extend the period of time to provide rental payments is included in the waiver section of this amendment.

The program is a collaboration of HUD-certified, nonprofit, community-based organizations that provide a wide range of counseling services. Counselors provide supportive services such as foreclosure prevention, relocation services, and debt management, and assist with application intake for CDBG-DR-funded programs. The agencies participating in the program have or will be trained to use the State's language line and the "I Speak" cards to assist any applicant of limited English proficiency. Housing counselors also may provide information to renters participating in the Tenant-Based Rental Assistance program or occupying rental units funded through HARP or the Neighborhood Landlord Program to help them understand their housing rights, landlord requirements, and the conditions and limitations of their tenant-based rental assistance. Housing counselors also may provide fair housing, asset management, affordability, and award terms guidance for landlords participating in HARP and the Neighborhood Landlord Program.

This program also will fund legal services that help impacted residents transition to more permanent housing.

The State proposes to reallocate \$4,000,000 to further assist critical supportive services that have increased because of the storm. The funds are provided from a surplus in the Sandy Blue Acres Program and do not affect the ability of that program to meet its obligations.

### **Program Tieback to Disaster/Unmet Needs**

The program provides services to individuals and households living in the impacted communities or who were impacted by Hurricane Ida.

### **How the Program Will Promote Housing for Vulnerable Populations**

In the aftermath of a disaster, housing counseling and legal services are a critical component of comprehensive disaster relief. Legal resources are often confusing, unattainable, or unaffordable to individuals with limited English proficiency, HUD-defined vulnerable populations, and LMI households as they work through the challenges of recovery that require legal representation, support, and analysis. Failure to resolve these legal issues often results in the denial of recovery resources and delays to recovery.

Housing counseling and legal services providers will help impacted residents, vulnerable populations, and members of underserved communities expedite their recovery by:

- Providing access to fair housing information for participants.
- Providing guidance and counseling services to households with limited English proficiency.
- Assessing housing needs and financial resources and addressing other concerns about short- and long-term housing.
- Discussing the unique assistance needs of participants and resources available.
- Connecting with State and local recovery resources.
- Communicating with lenders, insurance companies, and government agencies.
- Supporting application intake and assisting with the necessary paperwork for recovery programs, thereby reducing barriers of entry into recovery and other funding programs.
- Reviewing income, expenses, credit, and debt and helping to develop ways to improve a participant's financial situation.

- Providing other housing navigation services, as needed.

## Program National Objective(s)

LMI persons and households; urgent need

## Program Eligibility

### CDBG-DR Eligible Activity

Public Services; HCDA Section 105(a)8; and applicable waivers identified or alternative requirements.

**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

## Subrecipient Eligibility

- HUD-certified housing counseling agencies, nonprofit organizations, and community-based organizations.

## Applicant Eligibility

- Residents displaced or impacted by Hurricane Ida.

## Eligible Activities

Housing counseling organizations may provide supportive services including but not limited to foreclosure prevention, homebuyer financial counseling, relocation advisory services, debt management, and assistance with application intake for CDBG-DR-funded programs. The services also may provide support to navigate insurance requirements, State programs, application submittal, and any technology gaps.

Assistance will be provided to eligible subrecipient legal services providers to deliver recovery-related assistance such as working through insurance claims; clearing property titles; working through heirship and probate; fighting unlawful evictions and foreclosures; combating contractor scams, disputes, and fraud; assistance with school transfers; and other legal services needed for applicants to complete their recovery. This includes legal services for participants in HARP, other CDBG-DR programs, and eligible residents who are not participating in CDBG-DR programs.

Financial counseling services will be provided to owners of small rental properties who will rent housing at affordable rates to income-qualified tenants. They will receive training on fair housing requirements and compliance requirements for participating in affordable rental programs.

## Program Responsible Entity

New Jersey DCA

## Program Maximum Assistance

The maximum amount allocated to subrecipients will be detailed in the program guidelines and applicable NOFAs and will be determined based on factors such as the subrecipient's capacity, the scope of work, the types of services provided, and/or the communities served by the organization.

## Program Estimated Begin and End Dates

The program will begin in the first quarter of 2023. The program will end when all funds have been expended and all eligible participants have completed closeout, or within the Sandy grant expenditure deadlines.

## Program Competitive Application Overview

The program policies and public funding announcements will provide information on how qualified organizations are selected as subrecipients and will include all scoring criteria, relative weighting, and minimum requirements. Subrecipients will be selected competitively through a NOFA, competitive procurement, or other process described in New Jersey's Qualified Action Plan.

The program is not competitive for residents seeking housing or legal services.

## Program Method of Distribution: Overview

The State will implement this program through subrecipients and/or directly. While the State anticipates primarily carrying out this program through subrecipients, there may be gaps in geographic service or demographic service areas, and the State may supplement subrecipients by providing direct services through the State.

## Resilient Communities Program

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$89,604,399	(\$2,940,000)	\$86,664,399
Resilient Communities	\$0	\$2,940,000	\$2,940,000

## Program Description

This competitive program provides funding for infrastructure projects that will help disaster-impacted communities recover more resiliently to current and future natural hazards. The State has modeled this program on FEMA's Building Resilient Infrastructure in Communities (BRIC) program. This approach will help the State invest in activities within the HUD- and State-identified MIDs and achieve the following goals:

1. Reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.
2. Recover from the disaster impacts of Hurricane Ida.
3. Protect publicly funded recovery investments in impacted communities.

4. Expand awareness of BRIC within the State and help build the capacity of local governments to prepare competitive BRIC applications such that applications not selected under this program can be submitted for BRIC or other FEMA hazard mitigation assistance programs.

Eligible applicants will be responsible for the implementation of approved projects. DCA will review projects for CDBG-DR and program eligibility and will select projects based on scoring and ranking approaches that are in alignment with the BRIC application and selection processes. DCA will monitor approved projects and provide oversight to ensure their completion. DCA also will provide technical assistance on program requirements and ways to make applications competitive for lower capacity applicants, as needed.

The State proposes to reallocate \$2,940,000 to further fund infrastructure projects that will assist with resiliency. The funds are provided from a surplus in the Sandy Blue Acres Buyout Program and do not affect the ability of that program to meet its obligations.

### **Program Tieback to Disaster/Unmet Needs**

This program addresses unmet recovery and mitigation needs for public infrastructure in HUD- and State-identified MIDs. For all Sandy-funded projects, the State will identify how a project will help the State or community address disaster-related impacts as a component of the application review criteria.

### **How the Program Will Advance Long-Term Resilience**

Projects will be required to have natural hazard risk reduction benefits. Projects will be scored based on the degree to which the application meets certain program criteria, including the following:

- Mitigates the risk to public infrastructure.
- Mitigates the risk to one or more of FEMA's community lifelines, including safety and security; food, water, and shelter; health and medical; energy; communications; transportation; and hazardous materials.
- Incorporates nature-based solutions.
- Protects and benefits disadvantaged communities.
- Promotes resiliency through ancillary or triple bottom line benefits (social, environmental, and economic benefits).
- Considers climate change and future conditions.
- Leverages federal, State, and local partnerships.

Applicants will be required to demonstrate how the projects will be operated and maintained beyond the life of the CDBG-DR grant, including incorporating technologies to prevent early failures of the project. Applicants will share in their applications the data and analysis completed to evaluate the risks, including climate-related natural hazards.

Each project will be required to meet resilience performance metrics. Projects should be independently effective and provide measurable natural hazard risk reduction benefits. Details on how subrecipients and DCA will measure, track, and report on resilience performance metrics will be included in the program guidelines.

## How the Program Will Address Disaster-Related Systems and Stormwater Systems

As described in the unmet needs assessment, there are many infrastructure needs resulting from Hurricane Ida that are not covered by FEMA PA or HMGP. Program funds may be used to replace damaged systems and/or build new systems that will help protect life and property and provide mitigation benefits by withstanding future disasters and the impacts of climate change.

### Program National Objective(s)

Assistance provided under this program will meet the national objectives of benefiting LMI persons or households or addressing an urgent need.

The urgent need national objective will be used when an eligible recovery or mitigation project does not meet an LMI national objective.

### Program Eligibility

<b>CDBG-DR Eligible Activity</b>	Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements; HCDA Section 105(a)1, 2, 4, 9, and 12; and applicable waivers or alternative requirements.
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**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County

### **Applicant Eligibility**

Eligible applicants include State agencies; local governments, including cities, townships, counties, and special district governments; and federally or State-recognized tribal governments.

### **Eligible Activities**

Activities may include acquisition; planning, project scoping, and preconstruction activities; construction or reconstruction; installation; and other infrastructure improvements, including those intended for flood protection, drainage improvement, emergency power, and hazard mitigation. Funds cannot be used to cover costs for maintenance and operation, purchase of construction equipment, or buildings used for general use by government entities.

### **Program Responsible Entity**

New Jersey DCA or local governments.

### **Program Maximum Assistance**

The minimum program assistance available is \$1,000,000, and the maximum assistance available is \$5,000,000. Funding is allocated for each project based on the eligibility criteria below. Each project will be evaluated related to the costs and benefits of the infrastructure project. These benefits will not only include recovery but also consider the long-term benefits of protection against future risks.

### **Program Estimated Begin and End Dates**

This program will begin in the second quarter of 2023, and multiple funding rounds may be implemented based on the availability of funds. The program will end when all funds have been expended and all eligible participants have completed closeout, or within the Sandy grant expenditure deadlines.

### **Other Program Details**

The program is designed to support communities as they recover from Hurricane Ida and work to mitigate future risks. DCA and its partners will perform outreach to all communities within eligible areas to encourage them to submit applications. Communities that lack the resources to complete applications will be provided with technical assistance by DCA or a partner agency. DCA will encourage communities to ensure that projects align with other infrastructure

investments from State and federal sources so that funds can be leveraged and that applications not funded under this allocation can be submitted for other competitive grants.

## **Program Competitive Application Overview**

Projects will be evaluated through a request for applications process. Receipt of applications will be followed by an application evaluation and scoring process that will result in funding awards and the execution of subrecipient agreements.

For applications to be eligible, they must:

- Be an eligible activity under CDBG-DR.
- Meet a CDBG-DR national objective.
- Mitigate risk to critical public infrastructure.
- Mitigate risk to one or more community lifelines.

DCA will establish a weighted scoring process that will assess such factors as:

- How the project will address a disaster-related impact
- How the project will mitigate natural hazard risk to critical structures, facilities, and systems
- How effective the proposed project is in protecting the public, including members of protected classes, HUD-defined vulnerable populations, and historically underserved communities, from the risks in each of the respective impacted communities
- Environmental or ecosystem service benefits such as air quality, water filtration, and recreational space
- Whether the project incorporates nature-based solutions
- Whether the applicant and project consider climate change and future conditions
- The population expected to benefit from the project
- The outreach and engagement plan and efforts carried out by the applicant
- The cost reasonableness of the project
- Other funds leveraged
- Whether the project can be implemented successfully as designed
- The ability of the applicant to operate and maintain the project beyond the life of the CDBG-DR grant
- Other benefits of the project

## **Program Method of Distribution Description**

DCA will engage applicants through a competitive application process based on published ranking and scoring criteria. DCA may coordinate with other State partners, such as Office of Emergency Management and DEP, to provide technical assistance to communities in developing applications and assist in evaluating and scoring applications based on the criteria described in this plan.

## FEMA Non-Federal Cost Share

Sandy Program Name	Previous Allocation	Reallocation Amount	Revised Allocation
Blue Acres for Sandy Recovery	\$86,664,399	(\$2,500,000)	\$84,164,399
FEMA Non-Federal Cost Share	\$0	\$2,500,000	\$2,500,000

### Program Description

This program will fund the non-federal cost share for State-owned facilities eligible under FEMA PA to help offset the burden of the non-federal share requirements faced by the State and local governments in the Ida-impacted counties. Through this program, the State also will incorporate resilience and mitigation measures into the design of CDBG-DR-approved projects, where feasible and cost reasonable. The State will prioritize projects that benefit LMI persons or households.

The State proposes to reallocate \$2,500,000 to further fund the non-federal cost share. The funds are provided from a surplus in the Sandy Blue Acres Buyout Program and do not affect the ability of that program to meet its obligations.

### Program Tieback to Disaster/Unmet Needs

This program addresses unmet recovery and mitigation needs for public infrastructure or other FEMA-funded activities in HUD- and State-identified MIDs.

### How the Program Will Address Disaster-Related Systems and Stormwater Systems

Program funds may be used to rehabilitate damaged systems and/or build new systems that will help protect life and property. Any approved grants that involve systems must be brought up to current applicable codes and local ordinances.

### Program National Objective(s)

Assistance provided under this program will meet the national objectives of benefiting LMI persons or households or addressing an urgent need.

The urgent need national objective will be used when an eligible recovery or mitigation project does not meet an LMI national objective.

### Program Eligibility

#### CDBG-DR Eligible Activity

HCDA Section 105(a)1, 2, 4, 9, and 12; and applicable waivers or alternative requirements.

**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County

- Passaic County
- Union County

### **Applicant Eligibility**

State agencies and local governments with approved FEMA Public Assistance projects.

### **Eligible Activities**

- Activities approved under a FEMA program.
- All activities must be CDBG-DR eligible, meet a national objective, and be able to comply with the applicable federal requirements.

Exceptions to eligible activities and applicant eligibility will be described in the program guidelines.

### **Program Responsible Entity**

New Jersey DCA

### **Program Maximum Assistance**

The program will be funded as a match and cover the portion of the award not covered by FEMA PA or other FEMA-funded program award.

### **Program Estimated Begin and End Dates**

This program will begin in the first quarter of 2023. The program will end when all funds have been expended and all eligible participants have completed closeout, or within the Sandy grant expenditure deadlines.

### **Program Method of Distribution Description**

The State will identify CDBG-DR-eligible projects that will help meet the State’s non-federal cost share for FEMA. The State may prioritize projects that benefit LMI persons or communities.

### **Statewide Housing Mitigation Tool**

<b>Sandy Program Name</b>	<b>Previous Allocation</b>	<b>Reallocation Amount</b>	<b>Revised Allocation</b>
Blue Acres for Sandy Recovery	\$84,164,399	(\$2,000,000)	\$82,164,399
Statewide Housing Mitigation Tool	\$0	\$2,000,000	\$2,000,000

### **Program Description**

The State will develop a Statewide Housing Mitigation Tool to assess the housing stock in disaster-impacted and at-risk areas. This assessment may include taking inventory of housing by type, risk, accessibility, and other components needed to understand community and regional residential vulnerabilities. Special attention will be focused on LMI communities. The State and local governments and partners can use this tool to make informed development and floodplain management decisions and target resources toward the greatest need.

The State proposes to reallocate \$2,000,000 to further fund the non-federal cost share. The funds are provided from a surplus in the Sandy Blue Acres Buyout Program and do not affect the ability of that program to meet its obligations.

### How the Program Will Meet the Definition of Mitigation

The State’s goal in developing the tool is to guide decisions that will increase resilience to disasters and reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters.

### How the Program Will Address Current and Future Risks/Mitigation Needs Assessment

The State will have a powerful decision-making tool that can be used to identify areas that have been damaged by repetitive flooding and catalog those homes that have previously been mitigated or need mitigation. The State can use this tool to target resources to elevate structures, create buyout strategies, and develop land use plans that consider flooding risks for future projects.

### Program National Objective(s)

For planning-only activities, HUD waived the requirements at 24 CFR 570.483(b)(5) and (c)(3), and instead, as an alternative requirement, 24 CFR 570.208(d)(4) applies to States when funding disaster recovery-assisted planning-only grants or when directly administering planning activities that guide disaster recovery.

### Program Eligibility

<b>CDBG-DR Eligible Activity</b>	Planning; HCDA Section 105(a)12 and 16; and applicable waivers or alternative requirements.
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**Geographic Eligibility:** When using Sandy funds interchangeably for Ida-impacted communities, eligible locations include jurisdictions within:

- Bergen County
- Essex County
- Hudson County
- Middlesex County
- Passaic County
- Union County
- Ocean County
- Cape May County
- Atlantic County
- Monmouth County

### Applicant Eligibility

- The State will administer the Statewide Housing Mitigation Strategy Tool.

## **Eligible Activities**

- Planning activities address a direct or indirect impact from the disaster.

## **Program Responsible Entity**

New Jersey DCA

## **Program Estimated Begin and End Dates**

The program will begin in the fourth quarter of 2022 or soon after HUD has approved the Action Plan. DCA plans to use the tool in funding decision-making for other CDBG-DR programs.

## SECTION 6: WAIVER REQUESTS

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### Modification of Section 414 of the Stafford Act

The Stafford Act provides that no person who is otherwise eligible for any kind of replacement housing payment under the Uniform Relocation Assistance (URA) and Real Property Acquisition Policies Act of 1970 will be denied such eligibility as a result of their being unable, because of a major disaster, to meet the occupancy requirements set forth by the URA. Homeowner occupants and tenants who have been displaced from their homes as a result of the disaster may become eligible for replacement housing payment notwithstanding their inability to meet the occupancy requirements set forth in the URA.

APA 48 creates new Sandy programs to assist in Tropical Storm Ida recovery in disaster-declared counties that were also declared for Superstorm Sandy. The programs created in APA 48 are identical to the programs created in the Ida Action Plan funded with Ida CDBG-DR-allocated funds. In 87 FR 31636, Section IV.F.6, of the Consolidated Notice that allocated funding to New Jersey for Ida recovery discusses the waiver for modifications of Section 414 of the Stafford Act. To make these new programs run seamlessly with the Ida-funded programs, the State requests the Section 414 waiver for Sandy funding. The waiver will allow DCA to implement the programs consistently across both funding allocations while working to assist disaster survivors recover from Hurricane Ida.

The waiver in the Consolidated Notice that DCA requests to be applied to Sandy funding for Ida recovery pertains to real property acquisition, rehabilitation, or demolition of real property for a CDBG-DR-funded project commencing more than 1 year after the date of the latest relevant presidentially declared disaster, provided that the project was not planned, approved, or otherwise underway before the disaster. DCA will follow the definition in the notice to determine when a project has commenced. This waiver will not apply to individuals who meet the occupancy requirements to receive a replacement housing payment under the URA, nor does it apply to those who are displaced or relocated temporarily by other HUD-funded programs or projects; eligibility for relocation assistance and payments under the URA is not impacted by this waiver.

### Extension of Tenant-Based Rental Assistance

As a component of APA 48, the New Jersey DCA is requesting a waiver to 42 U.S.C. 5305(a) to provide tenant-based rental assistance to households impacted by the disaster. Eligible rental assistance and utility payments for up to 24 months would be made as direct payments to renters who are displaced and at-risk households; such assistance or payments would be part of a homelessness prevention program, intermediate housing, or rapid rehousing program or activity. This assistance would also be available for grant recipients living in intermediate housing during the repair or reconstruction of their homes. While existing CDBG-DR regulations may allow payments for these purposes, grantees are subject to a much shorter time limitation (3 months). This waiver will help individuals and families who are already receiving rental assistance, as well as those who will receive rental assistance subsequently, maintain stable, permanent housing and allow them to return to their communities, if desired, when additional permanent housing is available or when their homes have been restored. It also will provide

additional time to stabilize individuals and families in permanent housing where rents are higher than normal for the area and where vacancy rates are extraordinarily low while damaged homes continue to be repaired.

Previous waiver and alternative requirements were granted for the State of New Jersey's tenant-based rental assistance program funded through its CDBG-DR grant pursuant to the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2) (the Appropriations Act). The previous waivers were published in 78 FR 40134, modified in the Federal Register notice published on April 2, 2015 (80 FR 17772), and FR-5961-N-02 (February 8, 2017). These waivers have both expired and thus provide precedent for requesting an additional waiver.

The tenant-based rental assistance program outlined in this substantial amendment request will reallocate a surplus of \$5,000,000 from the Sandy Blue Acres Program. These funds will be used to further assist rental families. The surplus funds will be used in the HUD- and State-identified MID areas to provide financial and supportive assistance to renter households or those who have been displaced by Hurricane Ida. Priority for this program will be renters at or below 30% of AMI and, if this waiver is approved, rental assistance will be provided for up to 24 months. This program is anticipated to begin in the first quarter of 2023. It will end when all funds have been expended and all eligible participants have completed closeout, or within the Sandy grant expenditure deadlines.



## SECTION 7: PUBLIC COMMENTS AND RESPONSES

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As required by HUD, this proposed substantial amendment, APA 48, will be made available for public comment over a period of at least 30 days.

The public can submit comments to this proposed amendment (1) via email to [DisasterRecoveryandMitigation@dca.nj.gov](mailto:DisasterRecoveryandMitigation@dca.nj.gov) (Subject: Action Plan Amendment 48); or (2) via U.S. mail to New Jersey Department of Community Affairs, P.O. Box 800, Trenton, NJ 08625-0800. All comments are given the same consideration regardless of the method of submission.

The State will review all public comments provided during the comment period and, per HUD guidelines, will synthesize public comments submitted regarding this proposed amendment. The State will then include written responses to those comments as part of the final amendment submitted to HUD for review and approval.