

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 56 SUBSTANTIAL AMENDMENT

- **Expanding the scope of interchangeability of funds between Sandy and Ida to more overlapping counties.**
- **Updating the unmet need section to include Atlantic City**
- **Updating the Ida Blue Acres program maximum funding cap**

PUBLIC COMMENT PERIOD: February 28, 2024 – March 28, 2024

DATE SUBMITTED TO HUD

DATE APPROVED BY HUD:

Philip D. Murphy
Governor

Tahesha L. Way
Lt. Governor

Jacquelyn A. Suárez
Acting Commissioner



Building stronger communities



SECTION 1: OVERVIEW

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 55 amendments. 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 56 (APA 56)** 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 changes a program benefit or eligibility criteria; adds or deletes an allowable activity described in the approved application; reallocates more than \$10 million or proposes a reduction in the overall benefit requirement.

APA 56 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 (Subject: Action Plan Amendment 56) 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. For hearing-impaired users, text telephone service is available at (TTY/TDD) 1-800-852-7899.

The public comment period for APA 56 will be open from 9 a.m. on February 28, 2024, to 5 p.m. on March 28, 2024

Comments on this proposed amendment can be submitted via email to DisasterRecoveryandMitigation@dca.nj.gov or to the attention of Lisa Ryan, New Jersey Department of Community Affairs, 101 South Broad Street, Post Office Box 800, Trenton, New Jersey 08625-0800. All comments are given the same consideration regardless of the method of submission.

SECTION 2: PLAN UPDATES

Interchangeability Scope

In Action Plan Amendment (APA) 48, DCA indicated that it would utilize the authority to use funds interchangeability between the Ida and Sandy CDBG-DR grants. The authorization was given in 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).

DCA now understands from HUD guidance that in addition to the overlapping HUD MID counties, DCA can include the State identified overlapping MID counties when providing Sandy funding to programs that were created to address similar Ida recovery needs.

Therefore, the geographic eligibility will change in all Sandy programs supporting Ida recovery to include the following counties:

- Bergen County (HUD MID)
- Essex County (HUD MID)
- Hudson County (HUD MID)
- Middlesex County (HUD MID)
- Union County (HUD MID)
- Gloucester (State MID)
- Hunterdon (State MID)
- Mercer (State MID)
- Morris (State MID)
- Warren (State MID)

Update to the Unmet Needs Assessment

DCA is updating its Infrastructure unmet needs assessment in the Action Plan because more detailed information has become available since the initial unmet needs assessment was written.

In 2014, a Strategic Recovery Planning Report for Atlantic County was published. The report provided maps and other information about the impact of Superstorm Sandy in the county. These maps and other narratives detailed the flooding risk for Atlantic County including Atlantic City. The impact of the storm exposed the vulnerabilities of the community. Atlantic City is in a Flood Hazard Area (Zone AE or Zone VE) as defined by the FEMA National Flood Hazard map. Both hazard areas are considered high risk for flooding and very susceptible to flash flooding and hurricane surges. In fact, Superstorm Sandy created an extreme storm surge. Insurance claims as reported by Atlantic City totaled \$83.3 million in losses. The inundated areas created flooding throughout the neighborhoods in Atlantic City, especially those closest to the Atlantic Coast.

The map below shows the inundation by storm surge during Super Storm Sandy and the location of Atlantic City.



As the result of the inundation, Atlantic City suffered damage to its infrastructure. After the report referenced above was completed and a change in city administration, the new administration discussed with DCA and the Governor's office the remaining unmet infrastructure recovery needs the city was experiencing as a result of Superstorm Sandy and the creation of the Atlantic City Resiliency Program. In 2018, the City sent a list of projects for DCA to consider for the Atlantic City Resiliency Program. DCA developed and used a list of criteria to select the projects that would be funded. After evaluation, the list was shortened to seven projects. These seven projects make up the Atlantic City Resiliency Program. Funding was allocated to the program in APA 35, which included a complete description of each proposed project. Subsequently one of the projects involving traffic signal upgrades was dropped from the project list and the funded projects were reduced to six. The remaining projects include:

- Lawrence Chelsea Bulkhead Replacement
- Gardener's Basin Park Bulkhead Stabilizing and Dredging
- South Boulevard Bulkheads
- Ducktown-Chelsea Bayfront Bulkhead Replacement
- Inspection and Replacement of Check Valves along the Bay
- Public Building Dry Flood Proofing

The map below shows the six projects selected overlain on a map that shows the Superstorm Sandy Storm Surge.



The location of the disaster related impacts addressed by the Atlantic City Resiliency Program are in Atlantic City and all identified projects in the program will meet the Urgent Need national objective. The type of impact for all six projects was flooding due to storm surge. As a result of Superstorm Sandy, 9% of the households in Atlantic County had homes that sustained “severe” or “major” damage, as those terms are defined by HUD. According to HUD, “severe” damage is defined as homes FEMA determined to have greater than \$28,800 worth of physical damage or more than four feet of flooding on the first floor, while “major” damage is defined as homes FEMA determined to have between \$8,000 and \$28,799 worth of physical damage or more than one foot of flooding on the first floor. One census tract within Brigantine and one census tract in Atlantic City had more than 50% of households experience major or severe damage, another 12 communities had between 25% and 49% of households experience such damage, and 10 census tracts had between 10% and 24% of households experience such damage. In Atlantic County, 34% of the residents report a disability and 7% of the households is over age 65 and living alone. Atlantic County also contains a significant number of second homes, including many in heavily damaged communities.

The disaster impact for the bulkhead and dredging projects: As a result of the damage caused by the inundation and wind damage, many of the homes in this area were eligible for the CDBG-DR Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program. To be eligible for the RREM program the home must have sustained damage as a result of Superstorm Sandy of at least \$8,000 or had more than one foot of water on the first floor.

Following Superstorm Sandy there were numerous reports in the Atlantic County region of shoaling of sand in areas such as the Absecon Inlet, the Great Egg Harbor Inlet, Lakes Bay, and Absecon Bay. These storm generated shoals created hazardous conditions for operators of boats and left marinas filled with sand reducing berthing capacity. One such marina was the city owned Gardner’s Basin

marina. The marina was choked with sand as a result of Superstorm Sandy, leaving many of the boat slips unusable. The marina slips were fully occupied prior to Superstorm Sandy. In response to this damage caused by Superstorm Sandy, Gardner's Basin marina was dredged, and its full operation has been restored and the marina is now safe for the use of the boating public. Inspections of the back bay bulkheads after Superstorm Sandy indicated that many of the bulkheads had been damaged and several of the check valves were damaged by the storm. There are over a hundred outlets discharging into the back-bay waters. These outfalls typically protrude from the bulkhead at the end of public streets. The majority of the exposed pipes are typically 12" to 15" in diameter and constructed of either ductile iron or cast iron. These outfall pipes service localized drainage areas in Chelsea, Ducktown, Bader Field, Venice Park, and the Northeast Inlet sections of the City.

The Lower Chelsea Bulkhead Replacement, Gardener's Basin Park Bulkhead Stabilizing and Dredging, and the South Boulevard Bulkheads projects will respond to these disaster related impacts.

The disaster impact for the public building dry flood proofing project: During Superstorm Sandy, temporary wood panels were set up within City Hall on the first floor, to attempt to provide a barrier to any rising water. A temporary pump was placed within this area in the event any water made it through any conduit or past the barriers into the room where the generators were located. Emergency generators for the operation of the dispatch center for the police department are located on the first floor of City Hall. These generators sit on elevated pads, with access doors for maintenance from the outside (the threshold of the maintenance access doors is below the elevation of the first floor). Regardless of these efforts, this area was still damaged by Superstorm Sandy. A more permanent solution to protect the generators was required. Exterior doors were replaced with watertight doors, and all openings from drainage lines, conduit, etc. were sealed or rerouted to prevent water from entering the generator area. A permanent pump system, set in a sump pit with automatic level controls were installed. These pumps were wired to the emergency generator to provide uninterrupted power. In addition, foundation and/or masonry repairs were made to stop any water from entering through the foundation. Where necessary, removable supplemental dams were placed as a secondary barrier in the area of any miscellaneous openings, and around the generator, as a second level of defense. In response to this damage caused by Superstorm Sandy, dry floodproofing has been completed and this portion of the City building is protected.

The public building dry flood proofing project will respond to these disaster related impacts.

The disaster impact for the Inspection and Replacement of Check Valves along the Bay project: Inspections of the back bay bulkheads after Superstorm Sandy indicated that many of the bulkheads had been damaged and several of the check valves were damaged by the storm. There are over a hundred outlets discharging into the back-bay waters. These outfalls typically protrude from the bulkhead at the end of public streets. The majority of the exposed pipes are typically 12" to 15" in diameter and constructed of either ductile iron or cast iron. These outfall pipes service localized drainage areas in Chelsea, Ducktown, Bader Field, Venice Park, and the Northeast Inlet sections of the City.

Flood control, at its most basic level, consists of either providing the ability to remove excess water from flood-prone areas during storm events or providing adequate storage space for excess water during periods of heavy rain. The first approach uses large pumping stations to evacuate extra water. Another approach uses stormwater pipes to keep water contained until it can be naturally released. As water rises in these structures, many discharge lines that are normally well above the water level can suddenly find themselves deeply submerged. For this reason, it is important to protect discharge lines with reliable backflow prevention (check valves). Due to their exposed location, check valves are prone to storm damage as occurred during Superstorm Sandy. In response to this damage

caused by Superstorm Sandy, the back bay check valves were replaced, and the drainage system is once again fully operational.

The Inspection and Replacement of Check Valves along the Bay project will respond to these disaster related impacts.

Update the Hurricane Ida Blue Acres Program Maximum Assistance.

In APA 48 and as discussed above, DCA indicated that it would utilize the authority to use funds interchangeability between the Ida and Sandy CDBG-DR grants. In order to use the funds interchangeability, programs that mirror the Ida program requirements needed to be amended into the Sandy Action Plan.

In APA 48, DCA created the Ida Blue Acres program and established the program maximum assistance cap at \$461,375. The total maximum program award includes both the purchase of the buyout property and the incentive award needed to acquire replacement housing.

To determine valuations of estimated costs for the safe housing incentives a market analysis tool was developed based on current market rates of housing. To determine the fair market value of homes to be acquired, appraisals of eligible properties are conducted.

Over the last year of implementation, it became clear that the maximum award established in APA 48 was too low. In 2023, the market analysis tool was updated with new current market rates of housing. As a result, the average median sales price in the MID areas went from \$479,042 to \$512,667 and the highest average of the median sales and list price went from \$608,250 to \$706,748. The new maximum assistance is based on the highest median sales and list price for Bergen County at \$706,748. In fact, most of the counties in northern New Jersey including Bergen, Hudson, and Morris counties had higher than average market prices. By setting the cap high for all the eligible counties it will allow New Jersey to calculate awards quickly as they will not need to grant an exemption to the cap for the higher-than-average counties. These administrative burdens cause a delay in awards. The increase in the maximum assistance allows the program to address any price anomalies that arise. Additionally, determining the award amount is not arbitrary and will reflect the actual market rate of the area and be variable depending on the appraisal of the house, the incentive, and the county.

Although this is a significant increase in the cap, it is necessary to allow buyout work to occur in the northern NJ counties impacted by flooding. The program will continue to prioritize LMI households regardless of the adjustment to the cap.

Eligible homes will be purchased at 100% of their current (post-storm) fair market value. Fair market value determinations are based on a fair and reasonable offer determination by a qualified NJ State licensed appraiser who prepares a property specific, professional real estate appraisal report.

Incentives are based on the average cost per square foot for replacement housing to move a homeowner to a lower risk area in the HUD and grantee MID areas based on county-wide data. Incentives are 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. Individual awards will be capped based on the lesser of the maximum program award or the award calculation based on the buyout and housing incentive parameters described above.

The language in the Program Maximum Assistance section will now read:

The maximum program award is ~~\$461,375~~ **\$706,748**(insert), though individual awards will be capped based on the lesser of the maximum program award or the award calculation based on the buyout and housing incentive parameters described above.

SECTION 3: PUBLIC COMMENTS AND RESPONSES

As required by HUD, this proposed substantial amendment, APA 56, will be made available for public comment over a period of at least thirty days.

Commenters are able to submit comments to this proposed amendment (i) via email to DisasterRecoveryandMitigation@dca.nj.gov (Subject: APA 56); or (ii) via U.S. mail. All comments are given the same amount of 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.

The public comment period presents another opportunity to provide feedback on the Action Plan and the proposed use of funds. DCA will review and consider all comments received during the public comment period and incorporate responses to each comment into the Action Plan prior to the submission to HUD. Comments could lead to changes in the way the State proposes to use the funds.