

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 60 SUBSTANTIAL AMENDMENT

- Recognizing the surplus created by the expenditure of program income in the program budgets.
- Transferring funds amongst Sandy programs.
- Removing Tropical Storm Ida programs no longer funded by interchangeable Superstorm Sandy CDBG-DR funds.

PUBLIC COMMENT PERIOD: July 9, 2025 to August 7, 2025

DATE SUBMITTED TO HUD:

DATE APPROVED BY HUD:

Philip D. Murphy
Governor

Tahesha L. Way
Lt. Governor

Jacquelyn A. Suárez
Commissioner

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”) Superstorm Sandy Action Plan on April 29, 2013. The Action Plan described the State’s allocation of \$1,829,520,000 in first-round CDBG-DR funding, granted by HUD, in support of New Jersey’s recovery efforts. The New Jersey Department of Community Affairs (“DCA”) was chosen to administer this CDBG-DR grant. Since that time, HUD has approved 59 amendments. Included in these amendments is Substantial Amendment 7, which details the allocation of \$1,463,000,000 in second-round CDBG-DR funds across Sandy recovery programs.

On October 16, 2014, HUD allocated \$881,909,000 in third (and final) round CDBG-DR funds to New Jersey, \$380 million of which was allocated in connection with HUD’s Rebuild by Design (“RBD”) initiative, and is detailed in Action Plan Amendments #12, 20, 22 and 25. Substantial Amendment 11 designates the remaining, third-round, Sandy CDBG-DR allocation of \$501,909,000 for unmet recovery needs.

This **Action Plan Amendment 60 (“APA 60”)** is considered a substantial amendment according to the definition stipulated in [Federal Register Notice 5696-N-01](#) (March 5, 2013), and in accordance with the State’s citizen participation plan, as it allocates more than \$10 million in Sandy, CDBG-DR funding.

APA 60 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 60), 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 60 is open from 9 a.m. on July 9, 2025, to 5 p.m. on August 7, 2025.

SECTION 2: FUNDING TRANSFERS

Surplus Created by Program Income

DCA is modifying its Action Plan to direct surplus CDBG-DR program funds to other programs with an unmet need. CDBG-DR surplus funding accrues periodically, as the State receives additional program income (“PI”) from CDBG-DR-funded activities, such as loan repayments. As required by 88 Fed. Reg. 3198 (Jan. 18, 2023), the State spends the funds following a first-in, first-out (“FIFO”) methodology. This creates surplus in the programs in which the PI is spent. That surplus then needs to be reallocated to programs with unmet needs.

DCA has recognized these surplus funds in Action Plan Amendments starting with APA #53, though the surplus was never added to the program balance in the Consolidated Action Plan. This amendment serves to reconcile the surpluses created by the expenditure of PI and, where they did not result in an authorized budget increase,¹ to transfer those surpluses to programs with an unmet need.

DCA will issue an Action Plan Amendment to continue to recognize surplus created by the expenditure of program income and to move the surplus to programs where it is needed.

Surplus Created by Program Income			
Program	Current Allocation in Consolidated Action Plan	Program Income	Current Allocation Including Program Income
Fund for the Restoration of Multi-Family Housing*	650,375,166	+16,106,420	666,481,586
Energy Resilience Bank*	191,938,434	+22,513,777	214,452,211
Sandy Special Needs Housing Fund	57,235,199	+106,656	57,341,855
Rental Assistance Program*	18,147,311	+1,253,168	19,400,479
Pre-Development Loan Fund*	3,395,041	+257,808	3,652,849
Reconstruction, Rehabilitation, Elevation and Mitigation Program	1,336,723,934	+8,142,578	1,344,866,512
Landlord Rental Repair Program	53,945,867	+148,638	54,094,505
Neighborhood and Community Revitalization Program*	73,894,683	+633,398	74,528,081
Stronger NJ Business Loans Program	100,680,803	+251,028	100,931,831
Housing Counseling Program*	13,392,108	+627,161	14,019,269
LMI Homeowners Rebuilding Program	48,838,663	+41,634	48,880,297

¹ DRM reviews the surplus created in a program against the need of the program. If the program does not need the surplus, DRM does not authorize the program to spend it, i.e., the surplus does not add to their authorized budget. Therefore, there are some programs here whose balance was increased by the expenditure of PI, but we are moving those funds to other programs with a need. Those programs that are authorized to retain at least a portion of their surplus are marked in the chart with an asterisk.

Funding Transfers

Fund for the Restoration of Multi-Family Housing (FRM)

The FRM program is overseen by the Housing and Mortgage Finance Agency (HMFA). \$2,870,094 from the HMFA administrative set-aside is reclassified to cover program delivery costs in that program. The program has a surplus of \$187,151 which will be transferred to DCA to cover administrative costs.

FRM Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	666,481,586
Reclassification from HMFA Administrative Costs	+2,870,094
Transfer to DCA Administrative Funds	(187,151)
Updated Allocation	669,164,529

Energy Resilience Bank (ERB)

ERB has a surplus of \$11,284,389 which will be transferred to Rebuild by Design (RBD) Hudson River and to DCA to cover administrative costs.

ERB Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	214,452,211
Transfer to RBD Hudson River	(9,208,586)
Transfer to DCA Administrative Funds	(2,075,803)
Updated Allocation	203,167,822

Sandy Special Needs Housing (SNH) Fund

SNH Fund has a surplus of \$607,140 which will be transferred to DCA to cover administrative costs.

SNH Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	57,341,855
Transfer to DCA Administrative Funds	(607,140)
Updated Allocation	56,734,715

DCA Administrative Funds

DCA is increasing the total amount of funds allocated for the purposes of administrative costs to bring the total to 5% of the Superstorm Sandy CDBG-DR grant. This includes a transfer of surplus funding from ERB, FRM and SNH programs. This also includes reclassifying a set-aside of administrative funds for the Economic Development Authority and RBD to DCA Administrative Funds.

DCA Administration Reconciliation	
Explanation	Amount
Current Allocation	206,095,431
Reclassification from EDA Administrative Funds	+1,232,277
Transfer from Energy Resilience Bank	+2,075,803
Transfer from the Fund for the Restoration of Multi-Family Housing	+187,151
Transfer from Sandy Special Needs Housing Fund	+607,140
Reclassification from RBD Administrative Funds	+888,235
Updated Allocation	211,086,037

Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

RREM has a surplus of \$8,614,415 created in part by the expenditure of program income. That surplus will be dedicated to the RBD Hudson River to fund unmet needs in those programs.

RREM Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	1,344,866,512
Transfer to RBD Hudson River	(8,614,415)
Updated Allocation	1,336,252,097

Landlord Rental Repair (LRRP) Program

LRRP has a surplus of \$460,119 created in part by the expenditure of program income. That surplus will be dedicated to the RBD Hudson River to fund unmet needs in that program.

LRRP Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	54,094,505
Transfer to RBD Hudson River	(460,119)
Updated Allocation	53,634,386

Neighborhood and Community Revitalization (NCR) Program

NCR has a surplus of \$478,425, which is being transferred to RBD Hudson River to cover the unmet need in that program.

NCR Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	74,528,081
Transfer to RBD Hudson River	(478,425)
Updated Allocation	74,049,656

Stronger NJ Business Loans Program

The Loans Program has a surplus of \$251,028 created by the expenditure of program income, which is being transferred to RBD Hudson River to cover the unmet need in that program.

Stronger NJ Business Loans Program Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	100,931,831
Transfer to RBD Hudson River	(251,028)
Updated Allocation	100,680,803

Housing Counseling Program

The Housing Counseling Program has a surplus of \$243,392 created by the expenditure of program income, which is being transferred to RBD Hudson River to cover the unmet need in that program.

Housing Counseling Program Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	14,019,269
Transfer to RBD Hudson River	(243,392)
Updated Allocation	13,775,877

LMI Homeowners Rebuilding Program

The LMI Program has a surplus of \$1,632,270 created by the expenditure of program income, which is being transferred to RBD Hudson River to cover the unmet need in that program.

LMI Program Reconciliation	
Explanation	Amount
Current Allocation Including Program Income	48,880,297
Transfer to RBD Hoboken	(1,632,270)
Updated Allocation	47,248,027

Rebuild by Design Hudson River

Rebuild by Design Hudson River has an unmet need of \$20,888,235 caused by unanticipated construction costs. Primary drivers include (1) additional traffic management resources to protect the public during road closures, (2) expenses to coordinate and relocate utilities necessitated by ongoing unexpected subsurface conditions, (3) additional escrow accounts required to be set in place for work required by New Jersey Transit Authorities, and (4) work order amendments for additional construction management and oversight services. DCA is transferring surpluses in other CDBG-DR programs to meet the need.

RBD Hudson River Reconciliation	
Explanation	Amount
Current Allocation	264,400,000
Transfer from RREM	+8,614,415
Transfer from Stronger NJ Business Loan Program	+251,028
Transfer from Neighborhood and Community Revitalization Program	+478,425
Transfer from Housing Counseling	+243,392
Transfer from LMI Homeowners Rebuilding Program	+1,632,270
Transfer from Energy Resilience Bank	+9,208,586
Transfer from LRRP	+460,119
Updated Allocation	285,288,235

Removal of Ida Programs Not Funded by Sandy

Pursuant to the Extending Government Funding and Delivering Emergency Assistance Act of 2021, (Pub. L. No. 117-43), DCA's Action Plan Amendment 48 ("APA 48"), indicated that the State would use funds interchangeably between Tropical Storm Ida and Superstorm Sandy CDBG-DR grants. These funds were utilized to address unmet recovery needs in the HUD and State-identified most impacted and distressed ("MID") areas of both disasters where the MID areas overlapped.

DCA is updating its Action Plan to remove Ida programs that are no longer funded by Sandy, CDBG-DR "interchangeable" funds. Therefore, APA 60 will eliminate the following Ida programs from the Sandy Action Plan:

- Smart Move: New Housing Development;
- The Small Rental Repair Program ("SRRP") ;
- The Tenant-Based Rental Assistance Program ("TBRA");
- Housing Counseling and Legal Services;
- The Resilient Communities Program; and
- The FEMA Non-Federal Cost Share Program.

SECTION 3: PUBLIC COMMENTS AND RESPONSES

As required by HUD, this proposed substantial amendment, APA 60 will be made available for public comment over a period of at least thirty days. Commenters may submit comments to this proposed amendment (i) via email to DisasterRecoveryandMitigation@dca.nj.gov (Subject: APA 60); 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.