

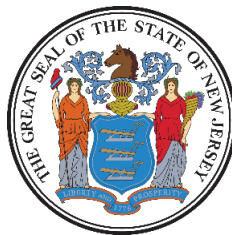
ACTION PLAN AMENDMENT

FOR THE STATE OF NEW JERSEY TROPICAL STORM IDA

NON-SUBSTANTIAL AMENDMENT

- Modification to Section 4.8.10 Homeowner Assistance and Recovery Program (HARP) by removing and adding applicant program pathways.
- Modification to Section 4.8.19 Smart Move by changing the program start date.
- Modification to Section 4.8.55 TBRA by removing moving costs.
- Clarification to Section 4.8.69 Resilient Communities Program by changing technical assistance to an optional service.
- Modification to Section 4.8.101 Resilient NJ by changing the program start date.
- DRGR data correction to Program Budget in DRGR

DATE SUBMITTED TO HUD:



Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner

SECTION 1: OVERVIEW

The purpose of this **Action Plan Amendment (APA) Number 1** to the State's Action Plan, (approved by HUD on November 21, 2022) is to provide non-substantial clarifications to the identified program areas as detailed in this document. This amendment is considered non-substantial since these clarifications and additions do not involve a new allocation or transfer/re-allocation of funds above the threshold between programs, do not create a new program, and do not change program beneficiaries or eligibility criteria. The amendment process follows the guidance in the applicable Federal Register notice related to non-substantial amendments and will be posted on the DCA website in accordance with HUD requirements.

DRGR data correction: For the budget table, there was a miscalculation. Instead of \$12,600,000 for the Grantee Identified MID budget for infrastructure, it should be \$11,600,000. The correct amount is in other relevant sections of the Public Action Plan.

SECTION 2: ACTION PLAN CLARIFICATIONS

A. Modification to Section 4.8.10 Homeowner Assistance and Recovery Program (HARP) related to program pathways.

The State established pathways for eligible applicants to be placed in that includes: 1) Homeowner Contracted, 2) Owner-Occupied and Affordable Rental Duplex/Triplex, 3) Acquisition, 4) Program Selected Contractors.

During the program policy development, changes were made to how this program will be implemented. This non-substantial amendment clarifies the following:

- The State will no longer be procuring a pool of contractors, which eliminates Pathway 4 and the language surrounding procurement within all pathways.
- Owner-Occupied Rentals will follow the same contracting process as Homeowners, therefore consolidating pathways.
- A new pathway was created for Homeowners that have existing construction contracts.

This is considered a non-substantial amendment as it does not change the eligibility criteria, beneficiaries, or shift funding among programs.

Edit in Section 4.8.10 of Ida Action Plan as follows:

New Pathways

Pathway 1 Homeowner with Existing Construction Contract: If a homeowner is already under contract for rehabilitation, The Program Representative will provide the homeowner with the contract requirements necessary to participate. A contract addendum will be provided to the applicant and must be executed with their builder required to receive HARP funding.

Homeowners are responsible for hiring licensed contractors to perform lead remediation and abatement. DCA will verify the contractors are properly licensed and help ensure that contractors perform the work in compliance with all applicable rules, regulations, and statutes incorporated in the contract addendum.

Pathway 2 Homeowner Selects Contractor: Homeowners can hire registered and insured builders of their choice 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 general contractors.

Once a contractor is selected and has provided a quote for the scope of work, the Program will verify that costs are necessary and reasonable compared to the estimated cost of repairs. If the contractor's quote is outside the estimated cost of repairs, additional steps will be taken to justify the costs, the homeowner may select a different contractor, or the homeowner will pay for costs above those deemed necessary and reasonable.

All projects receiving elevation and/or reconstruction assistance will be required to use DCA-provided services to develop their project scopes of work. The State will procure a pool of design firms who 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). Applicants who are rehabilitating their homes may ask for DCA feasibility and design support. Applicants are financially responsible for all upgrades and change orders that are not within the approved scope of work.

For homeowners that have a need for further assistance with the construction process, the Program will coordinate with the New Jersey Builder's Association to curate a list of contractors the homeowner can select. The State will actively assist homeowners with contract execution, payment terms, performance requirements, and managing construction through project completion and compliant with all state, local, and federal requirements.

Pathway 3 Acquisition: This is not a pathway that an applicant can choose; DCA may offer to acquire the property from the applicant at current fair market value only in the even that rehabilitation and/or elevation of the property cannot reasonably accommodate existing occupants that may be part of vulnerable populations such as the elderly, frail, persons with disabilities [mental, physical, developmental], and others as defined in the Action Plan or if the cost of rehabilitation of a property is not reasonable as determined by the Program, Applicants also may qualify for incentives to relocate to a lower risk area. The State will not exercise its power to acquire properties through the use of eminent domain, adjudication or other involuntary acquisition processes. Acquisition awards are limited to the current fair market value of the property, which is determined at the time the Program performs the appraisal of a property. All awards are subject to the Robert T. Stafford Act, requiring that all funds used for the same purpose as the CDBG-DR award be deducted as a duplication of benefit.

Previous 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 from DCA.

- Construction Support Services: DCA will provide construction support services to support 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 who 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 and/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). The attached rental unit(s) is(are) also eligible under HARP if the applicant commits to meeting the affordability periods and property maintenance requirements described in the Small Rental and Repair 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.

Pathway 4 Program Selected Contractors: The State may procure a pool of qualified contractors who are trained on program standards and will carry out the eligible scopes of work. In these scenarios, the State would pay the contractors directly based on scheduled inspections and meeting performance requirements. Contractors will be required to provide warranty(ies) for their work, which will be further defined in program and procurement documents.

B. Modification to Section 4.8.19 Smart Move related to program start date.

The Smart Move Program was intended to start in the second quarter of 2023. To reduce administrative burden the State has decided to delay the start date of this program.

Edit in Section 4.8.19 of Ida Action Plan is as follows:

The State anticipates that the program will begin in the **{delete} second {insert} third** quarter of 2023 and extend through project and program closeout or expiration of the grant.

C. Modification to Section 4.8.55 TBRA related to moving costs.

The TBRA Program will provide rental housing costs for low-income rental families impacted by Tropical Storm Ida. The Action Plan also listed other housing assistance available such as utilities and security deposits. It also listed moving costs as an eligible expense. After reviewing the program budget, the State concluded that in order to assist the most applicants, moving costs would be removed from the program. This language allows the flexibility to incorporate moving costs as funding availability allows in the future.

Edit in Section 4.8.55 of Ida Action Plan is as follows:

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
- **{delete} 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**

D. Clarification to Section 4.8.69 Resilient Communities Program related to technical assistance language.

The Resilient Communities Program provides funding for infrastructure project that will help impacted communities become more resilient to current and future natural hazards. The program is also offering technical assistance on program requirements to lower capacity applicants. The language currently states “provides” but during the program policy development, changes were made to create more flexibility to those needing additional assistance.

Edit in Section 4.8.69 of Ida Action Plan is as follows:

DCA also will **{delete}** provide **{insert}** offer technical assistance on program requirements and ways to make applications competitive for lower capacity applicants, as needed.

E. Modification to Section 4.8.101 Resilient NJ related to program start date.

The Resilient NJ Program was intended to start in the third quarter of 2023. To reduce administrative burden the State has decided to delay the start date of this program.

Edit in Section 4.8.101 of Ida Action Plan is as follows:

The start date of the program will be the **{delete}** third **{insert}** first quarter of **{delete}** 2023 **{insert}** 2024