

# ACTION PLAN AMENDMENT

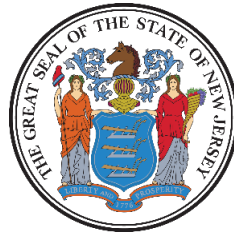
## FOR THE STATE OF NEW JERSEY TROPICAL STORM IDA

### SUBSTANTIAL AMENDMENT #8

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

## SECTION 1: Overview

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The purpose of this **Action Plan Amendment (APA) Number 8** to the State's Ida Action Plan (approved by HUD on November 21, 2022) is to modify the plan. This amendment is considered substantial according to the definition stipulated in the HUD Federal Register Notice [87 FR 31636.pdf \(hud.gov\)](#) and in accordance with the State's citizen participation plan because it changes program eligibility criteria and beneficiaries for programs.

**APA 8 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 8) or by contacting the Division of Disaster Recovery and Mitigation Constituent Services at 609-292-3750.**

Ida Action Plan Substantial Amendment #8 is available in English and Spanish at <https://www.nj.gov/dca/ddrm/> and can be requested by email at [DRMConstituentServices@dca.nj.gov](mailto:DRMConstituentServices@dca.nj.gov) (Subject: Action Plan Amendment #8) or by contacting the Division of Disaster Recovery and Mitigation Constituent Services at (609) 913-4824. To obtain a copy in a language other than English or 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 8 will be open 9:00 am on February 28, 2024, to 5:00 pm on March 28, 2024.

Commenters are able to submit comments to this proposed amendment (i) via email to [DRMConstituentServices@dca.nj.gov](mailto:DRMConstituentServices@dca.nj.gov) (Subject: Ida APA 8); or (ii) via U.S. mail to the attention of Lisa Ryan, Division of Disaster Recovery and Mitigation, NJ Department of Community Affairs, 101 South Broad Street, P.O. Box 823, Trenton, NJ 08625-0823. All comments are given the same amount of consideration regardless of the method of submission.

## SECTION 2: ACTION PLAN CLARIFICATIONS

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### **Action Plan changes to the Blue Acres Program to change the program maximum assistance.**

#### Explanation of Modifications:

In 2022, a program maximum assistance cap was established at \$461,375 in the Action Plan. 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 the Action Plan 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 Action Plan modifications include:

Modification to Section 4.8.29 Program Maximum Assistance by raising the maximum program award.

Edit in Section 4.8.29 Program Maximum Assistance is as follows:

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 & RESPONSES

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