

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 40

SUBSTANTIAL AMENDMENT

- **Clarifying Potential Uses of CDBG-DR Program Income**
- **Acknowledging the Extension of the Expenditure Deadline**

PUBLIC COMMENT PERIOD: November 18 to December 18, 2021
DATE SUBMITTED TO HUD: December 20, 2021
DATE APPROVED BY HUD:

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
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) 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 Grantee, the Department of Community Affairs (DCA) was chosen to administer the CDBG-DR grant. Since that time, HUD has approved thirty-nine amendments to the Action Plan, including Substantial Amendment Number 7, which detailed the allocation of \$1,463,000,000 of second round CDBG-DR funds across the recovery programs, and Substantial Amendment Number 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 Number 40 (APA 40)** is considered a substantial amendment according to the definition stipulated in the March 5, 2013 HUD [Federal Register Notice 5696-N-01](#) and in accord with the State's Citizen Participation Plan because it involves a reallocation of more than \$1,000,000 of CDBG-DR funds.

This Amendment is available in English and Spanish through DCA's website <https://www.nj.gov/dca/ddrm/>, and can be obtained by email to DisasterRecoveryandMitigation@dca.nj.gov (Subject: Action Plan Amendment 40) or by contacting 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 Neda Hartman, the language access plan coordinator, at (609) 633-2787 or neda.hartman@dca.nj.gov.

The public comment period for Action Plan Amendment 40 is open from 9:00 a.m. on November 18, 2021 to 5:00 p.m. on December 18, 2021. Per HUD requirements, a public hearing will be held during the comment period on November 22, 2021 from 2:30 p.m. to 3:30 p. m. The public hearing will be held virtually on the Microsoft Teams platform. To access the link for the public hearing, please visit <https://www.nj.gov/dca/ddrm/>.

Comments on this proposed amendment can be submitted at the public hearing, or via email to lisa.ryan@dca.nj.gov or to the attention of Lisa Ryan, New Jersey Department of Community Affairs, Division of Disaster Recovery and Mitigation, 101 South Broad Street, Post Office Box 823, Trenton, New Jersey 08625-0823. All comments are given the same consideration regardless of the method of submission.

SECTION 2: CLARIFICATION

Through this Amendment, the State clarifies its use of program income. This amendment also acts as an acknowledgement of Congress' extension of the expenditure deadline¹ to 2023 for funds appropriated pursuant to the Disaster Relief Appropriations Act, 2013.

Clarification of Potential Uses of CDBG-DR Program Income

Program income is the gross income received by the CDBG-DR Grantee (here, DCA) or any of its subrecipients (e.g., the Economic Development Authority, Housing and Mortgage Finance Agency, Department of Environmental Protection) that is directly generated from the use of CDBG-DR funds. While program income can be generated various ways, perhaps the most common example is payments of principal and interest on loans that were made using CDBG-DR funds. Additional information regarding how program income may be generated and used is available at 24 C.F.R. §570.489 and 24 C.F.R. §570.504, as well as on [HUD's website](#).

In Action Plan Amendment 35, the State created a Special Revolving Loan Fund for Program Support, into which all program income was to be directed. However, the State finds there is no longer a need for such a fund. Therefore, the State reverts to the initial use of program income described in Action Plan Amendment 18 and repeated below.

Consistent with HUD Federal Register Notice FR-5696-N-01, New Jersey will allow three options for the use of program income. The first two options -- program income is maintained by the state agency administering the program (DCA or a subrecipient) to pay the agency's next CDBG-DR eligible expense; or program income is transferred from a subrecipient to DCA to pay the next CDBG-DR eligible expense -- ensure rapid expenditure of program income, minimizing any impact on the timely obligation and expenditure of CDBG-DR funds. The third option -- using program income as a revolving loan fund for CDBG-DR eligible purposes -- is included to maintain the opportunity to use program income in this way.

¹ Public Law 116-260

SECTION 3: PUBLIC COMMENTS/RESPONSES

As required by HUD, this proposed Substantial Amendment will be made available for public comment over a period of at least thirty days. Also, per HUD requirements, the State will hold a public hearing to solicit comments in connection with this proposed amendment. The date and location of the public hearing are as follows:

Monday, November 22, 2021 (2:30 p.m. to 3:30 p.m.)

The public hearing will be held virtually on the Microsoft Teams platform. To access the link for the public hearing, please visit <https://www.nj.gov/dca/ddrm/>.

Commenters may submit comments to this proposed amendment (i) via email to: lisa.ryan@dca.nj.gov (Subject: ACTION PLAN AMENDMENT 40); (ii) via U.S. mail; or (iii) via oral comments at the virtual public hearing. 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.