

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



ACTION PLAN AMENDMENT NUMBER 1

NON-SUBSTANTIAL AMENDMENT FOR THE FOLLOWING:

- Add Modified Elevation Requirements
- Clarification to the Selection for the Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program
- Revision of Eligible Activity in the Pre-Development Fund for Affordable Rental Housing Program
- Revise the Neighborhood and Community Revitalization Program Description of Administering Agency
- Clarification to the FEMA Match for Public Assistance Program

DATE SUBMITTED TO HUD: July 18, 2013

DATE APPROVED BY HUD: July 23, 2013

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**Non-Substantial Action Plan Amendment Number 1 to Superstorm Sandy Disaster Relief
Appropriation, Public Law 113-2, 2013**

I. OVERVIEW

The purpose of this **Action Plan Amendment (APA) Number 1** to the State's approved Action Plan is to provide non-substantial clarifications to the identified program areas as detailed in the document. This amendment is considered non-substantial since these clarifications and additions do not involve a new allocation or transfer/re-allocation of funds, does not create a new program, nor cause a change in any program benefit or to eligibility criteria. As a non-substantial amendment, there is no requirement for a public comment period. The amendment will be posted on the DCA website in accordance with requirements.

II. ACTION PLAN CLARIFICATION/MODIFICATION

A. Modification to the Elevation Requirements

Per the Federal Register Notice of April 19, 2013 providing *Clarifying Guidance, Waivers, and Alternative Requirements for Hurricane Sandy Grantees in Receipt of Community Development Block Grant Disaster Recovery Funds*, those grantees having already submitted their Action Plan prior to publication of the Notice must submit a non-substantial amendment to incorporate the modified elevation requirements.

This amendment will modify under **Section 6: Other Criteria; Section 6.2 Steps the State Will Take to Encourage Adequate, Flood-Resistant Housing for All Income Groups**

Para 1. New Jersey, by emergency order, has adopted FEMA's updated Advisory Base Flood Elevation (ABFE). Using these more current advisory maps provides residents and communities with FEMA's best available data for mitigating against the risk of a future flood event.

{insert} *Further, the state will ensure compliance for use of its grants funds with the requirement that elevating or floodproofing new construction and substantially improved structures will be to one foot above the latest FEMA issued base flood elevation, in accordance with Executive Order 11988 and 24 CFR Part 55.*

B. Clarification to the Selection Process for the Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

In Section 4.1.1 of the Action Plan, the State describes the Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program. The Action Plan provides details on the eligibility and the prioritization criteria of homeowners who sustained damage as a result of Superstorm Sandy. The State undertook a Randomization (electronic random selection process) to ensure fairness and equal access,

remaining consistent with the stated priorities and reservation of funds as stated in the Action Plan. To provide further clarification of the process undertaken, by this Amendment the State inserts the following sentences to the Action Plan, remaining consistent with the prioritization and the distribution of 70% of the funds for LMI and 30% for Non-LMI.

Clarification to Section 4.1.1 Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program

Criteria for Selection:

- To ensure that assistance is available to those likely to be most in need, 70% of the \$600,000,000 allocated to the RREM program will be targeted to benefit LMI households. The remaining 30% will be targeted to households with an adjusted gross income of \$250,000 or less, which figure was chosen to stretch the State's resources to ensure that middle-class New Jerseyans are not means tested out of the RREM program.

{insert} *All applicants received in the established initial phase will be randomized at the end of the phase to determine their numeric ordering. The ordering will then undergo the stated prioritization process in randomized number order until DCA reaches the maximum for each bucket – reserving 70% of RREM project funds for LMI and 30% of RREM project funds for non-LMI.*

Regarding the prioritization described above, applications submitted by homeowners whose homes were substantially damaged will be processed in the order in which they were received {insert} *in phase 1*, and prioritized ahead of other applicants whose homes were not substantially damaged until that priority has been exhausted. {insert} *In the case of oversubscription to the program, the State will also review the geographic distribution of awardees to ensure a reflective distribution relative to damage levels represented in Table 2-8 of the Action Plan, and consistent with prioritizations. An adjustment will be made to allow that damage threshold is met if a sufficient number of applicants exist.*

C. Revision of Eligible Activity in the Pre-Development Fund for Affordable Rental Housing Program

To remain consistent with the program description, this amendment is to correct the eligible activity as stated in the Action Plan. The program is described in the Action Plan program description to cover “costs related to pre-development including feasibility studies, architectural costs, environmental and engineering studies, legal costs or other eligible soft costs.” The eligible activity is incorrectly typed as (a) (1) acquisition, which is not a part of this program.

Edit to Section 4.2.3.1 Predevelopment Fund for Affordable Rental Housing

Eligibility: {insert} *Section 105(a)(12) HCDA; Planning Activity.* {delete} ~~Section 105(a)(1)~~

D. Revise the Neighborhood and Community Revitalization Program administering agency

The Neighborhood and Community Revitalization program (\$75 million) is described as being administered by the New Jersey Economic Development Agency (NJEDA). This non-substantial amendment clarifies that DCA can administer these programs directly, as appropriate.

Clarification to Section 4.3.3 Neighborhood and Community Revitalization

Para 1. Because of the severe damage to the economies of affected areas, NJEDA {insert} *and DCA* will support activities tied to the economic growth and revitalization of the affected areas.

Para 2. These funds will be administered directly by NJEDA {insert} *or DCA* or awarded to other entities through notices of funds availability or competitive processes...

E. Clarification language to the FEMA Match for Public Assistance

Through this non-substantial amendment, the State provides clarification to the program parameters for providing the FEMA match as allowed under the Federal Notice (*FR5696-N-01*) and the Appropriations Act. The State intends to include FEMA activities that require to be matched by eligible public entities that are CDBG eligible. The term public assistance was intended to cover the “financial burden on governmental entities” of the FEMA-funded federal recovery programs requiring a match. The amended language is inserted to clarify this intention. This cost-share match may include the burden on public entities, at both the state and local levels, for CDBG-DR eligible activities to include programs such as sheltering, emergency payments, mission assignment, debris removal, emergency protective measures, as well as specific recovery infrastructure projects. The eligible activities are modified to reflect the appropriate project areas.

Clarify the intention of the Action Plan **Section 4.4 Support for State and Local Government Entities; Section 4.4.1 FEMA Match for Public Assistance Program** with the following:

Para 1: This program will provide critical support to eligible applicants that lack resources to provide some, or all, of the FEMA required match for FEMA Public Assistance Projects {delete} (~~currently 25%~~) {insert} *and other FEMA federally-funded recovery projects that require a cost-share*. The impact of Superstorm Sandy has placed an additional financial burden on governmental entities that are struggling to provide basic services.

Para 2: CDBG-DR funds will be used to provide some, or all, of the {delete} (~~currently 25%~~) match required under FEMA’s Public Assistance Program {insert} *and other FEMA federally-funded recovery programs that require a cost share. According to the federal notice (FR5696-N-01), the “funds may be used as a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity.”*

Eligible Applicants: FEMA PA {insert} *and other FEMA federal cost share* Recipients; {insert} *including State and local governments, governmental entities.*

Eligibility Criteria: FEMA PA funded project {insert} *and other FEMA federally recovery programs requiring a match or cost-share that are CDBG-eligible.*

Criteria for Selection: Evidence that the project has been determined to be eligible and funded under the FEMA PA program {insert} *and other FEMA-funded recovery programs.*

Eligibility: Section 105(a) (2) {insert}(4) (8) HCDA and FR 5696-N-01