

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 21, 2014



ACTION PLAN AMENDMENT NUMBER 15

NON-SUBSTANTIAL AMENDMENT FOR THE FOLLOWING:

- **Consolidation for Reporting Purposes of the Administration Funds Assigned to Programs into the General "Administration" Category**

DATE SUBMITTED: April 27, 2015

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Charles A. Richman
Acting Commissioner



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

I. OVERVIEW

The purpose of this **Action Plan Amendment (APA) Number 15** to the State's approved Action Plan and ensuing amendments, 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 a transfer/re-allocation of approved funds from the HUD Sandy CDBG-DR allocation in excess of \$1 million; do not create a new program; and do not change approved program benefits 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 English and in Spanish in accordance with HUD requirements.

II. ACTION PLAN CLARIFICATION/MODIFICATION

Consolidation for Reporting Purposes of the Administration Funds Assigned to Programs into the General "Administration" Category

In addition to funding for recovery programs, HUD allows CDBG-DR funds to be allocated toward general costs of administrative and technical assistance associated with the recovery programs. Examples of eligible "administration" activities include, among others: general management, oversight and coordination; outreach; preparing budgets and schedules; preparing reports and other HUD-required documents; and monitoring activities. Section VI(10)(b) of Federal Register Notice (FR) 5696-N-01 provides that the aggregate total of funding spent on general administrative and technical assistance "must not exceed 5 percent" of the aggregate CDBG-DR funding awarded to a Grantee.

Excluding funding for Rebuild by Design projects, New Jersey has received \$3,794,429,000 across three CDBG-DR funding rounds: \$1,829,520,000 (Round 1); \$1,463,000,000 (Round 2); \$501,909,000 (Round 3). Thus, the 5 percent cap on eligible administrative and technical expenses is **\$189,721,450**.

New Jersey's CDBG-DR Action Plan (first round funds), APA No. 7 (second round funds), and APA No. 11 (third round funds) each contained a funding budget for "Administration." Separately, each of the CDBG-DR programs run by a CDBG-DR Subrecipient, that is, HMFA's rental housing programs, EDA's economic recovery programs; DEP's buyouts program and infrastructure programs; NJRA's pre-development program; and DEP's and DOH's Supportive Services program (collectively, the "Partner Programs") include within their individual allocations a 0.5 percent set aside to be used for eligible "Administration" expenses. For example, of the \$60 million that has been allocated to HMFA's Sandy Special Needs Housing Fund (SSNHF), up to \$300,000 (0.5 percent) may be used by HMFA for eligible "administration" expenses associated with that program. To be clear, that \$300,000 is part of, not in addition to, the \$60 million.

While administration expenses incurred in connection with Partner Programs count toward New Jersey's 5 percent cap, for reporting purposes these costs have been reported as an "administration" line item under each individual Partner Program, rather than as line items under "Administration."

Following discussions with HUD, for ease of reporting, all eligible administration expenses, whether incurred by DCA or by a Subrecipient in connection with operating a Partner Program, will be reported as line items under the “Administration” budget. This requires consolidating the administration line items for Partner Program into the Administration budget. ***Importantly, this consolidation has no effect on the funding resources available to any program, including any Partner Program.*** Using the SSNHF example above, after this consolidation HMFA will still have access to the same \$300,000 for administration expenses incurred in connection with SSNHF. The expenses just will be reported under “Administration HMFA” and not under the SSNHF program.

The following table shows the consolidation of the administration line items from across partner programs into the “Administration” funding allocation.

**ALLOCATION OF FIRST, SECOND AND THIRD TRANCHE CDBG-DR FUNDS BY PROGRAM WITH
ADMINISTRATION COST DETAIL***

Category	Allocation by Category	Program	Funding Allocation Total	Admin Detail By Program**
Homeowner Assistance Programs	\$1,711,043,202	Reconstruction, Rehabilitation, Elevation, & Mitigation	\$1,356,543,202	
		Housing Resettlement Program	\$215,000,000	
		LMI Homeowners Rebuilding Program	\$40,000,000	
		Blue Acres Buyout Program	\$99,500,000	(\$500,000)
		Subtotal Homeowner Assistance	\$1,711,043,202	
Rental Housing and Renter Programs	\$824,072,400	Fund for Restoration of Multi-Family Housing	\$591,547,400	(\$2,972,600)
		Sandy Homebuyer Assistance	\$24,875,000	(\$125,000)
		Sandy Special Needs Housing	\$59,700,000	(\$300,000)
		Landlord Rental Repair (Small Rental)	\$70,000,000	
		Neighborhood Enhancement Program (Blight Reduction Pilot Program)	\$50,000,000	
		Incentives for Landlords	\$18,000,000	
		Pre-development Loan Fund	\$9,950,000	(\$50,000)
		Subtotal Rental Housing	\$824,072,400	
Economic Development	\$298,625,000	Grants/Forgivable Loans to Small Business	\$99,500,000	(\$500,000)
		Direct Loans to Small Business	\$99,500,000	(\$500,000)
		Neighborhood & Community Revitalization Program	\$74,625,000	(\$375,000)
		Tourism Marketing Campaign	\$25,000,000	
		Subtotal Economic Revitalization	\$298,625,000	
Infrastructure Programs	\$523,260,000	New Jersey Energy Resilience Bank	\$199,000,000	(\$1,000,000)
		Flood Hazard Risk Reduction Program	\$99,500,000	(\$500,000)
		Non Federal Cost Share (Match)	\$224,760,000	(\$240,000)
		Subtotal Infrastructure/Match Programs	\$523,260,000	
Support for Government Entities	\$181,000,000	Essential Public Services Program	\$145,000,000	
		Unsafe Structure Demolition Program	\$25,000,000	
		Zoning/Code Enforcement	\$11,000,000	
		Subtotal Support for Governmental Entities	\$181,000,000	
Supportive Services	\$46,989,258	Supportive Services	\$46,989,258	(\$10,742)
		Subtotal Supportive Services	\$46,989,258	
Planning and Administration	\$209,439,140	Planning Programs***	\$19,717,690	
		Administration (General)	\$182,648,108	
		Admin DEP	\$1,247,750	
		Admin EDA	\$2,375,000	
		Admin HMFA	\$3,397,600	
		Admin NJRA	\$50,000	
		Admin DOH	\$2,992	
		Subtotal Administration	\$189,721,450	
		Subtotal Administration/Planning	\$209,439,140	
	\$3,794,429,000	TOTAL	\$3,794,429,000	

*Excludes \$380 million in third round CDBG-DR funds allocation to Rebuild by Design projects.

**The Planning & Administration category now captures the amount assigned for each partner program's administration budget.

***To ensure the Administration total does not exceed 5%, that State adjusted Planning, but remains within the original approved allocation for "Planning & Administration."