

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 33

NON-SUBSTANTIAL AMENDMENT

- **Transferring Funds to the Landlord Rental Repair Program**
- **Transferring Funds to the Rental Assistance Program**
- **Transferring Funds to Planning**
- **Clarification of the Recording of Administrative Costs**

DATE SUBMITTED TO HUD: October 3, 2019

DATE APPROVED BY HUD: October 11, 2019

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner



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

I. Overview

The purpose of this Action Plan Amendment (APA) Number 33 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 Community Development Block Grant – Disaster Recovery funds in excess of \$1 million; do not create a new program; and do not change approved program benefits or eligibility criteria.

Through this amendment, the State proposes to transfer \$300,000 in CDBG-DR funds from the Energy Resilience Bank (ERB) to the Landlord Rental Repair Program. In addition, the State proposes to transfer \$51,626 from Resettlement and \$251,489 from the Special Needs Housing to the Rental Assistance Program. Finally, an additional \$238,560 in CDBG-DR funds will be transferred from ERB to Planning.

In this amendment, the State also recognizes recent guidance that various reporting and financial activities performed by a subrecipient or partner agency in support of specific programs is not administrative costs, but Activity Delivery Costs. Therefore, the State clarifies that funds available to partner programs through separate “administration” allocations will now be available to each partner through their program allocation.

II. Action Plan Modification

A. Transfer of Funds to the Landlord Rental Repair Program

Table 1: Transfer of Funds to the Landlord Rental Repair Program			
Approved New Jersey Action Plan Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Energy Resilience Bank	\$199,000,000	(-)\$300,000	*\$198,960,516
Landlord Rental Repair Program	\$54,063,663	(+) \$300,000	\$54,363,663

* Inclusive of the \$238,560 transferred for Planning and the \$229,076 transferred from Administration-EDA

The Landlord Rental Repair Program (LRRP) provides zero interest forgivable loans to existing and new owners of rental properties with one to twenty-five units requiring significant rehabilitation following Superstorm Sandy. To be eligible for the program, the landlord must rent the assisted unit(s) to LMI households at approved affordable rental rates following the completion of repairs.

The program has made significant progress in rehabilitating affordable rental units. In order to fulfil obligations to existing applicants and conclude monitoring and close out of the program, the State proposes transferring \$300,000 to LRRP.

B. Transfer of Funds to the Rental Assistance Program

Table 2: Transfer of Funds to the Rental Assistance Program			
Approved New Jersey Action Plan Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Resettlement	\$203,073,153	(-) \$51,626	\$203,021,527
Special Needs Housing	\$59,700,000	(-) \$251,489	\$59,448,511
Rental Assistance Program	\$16,332,741	(+) \$303,115	\$16,635,856

The Rental Assistance Program (RAP), administered by the Housing and Mortgage Finance Agency (HMFA), offers rental assistance to applicants of the Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) and LMI Homeowners Rebuilding Programs. Up to \$1,300 is provided per month for up to forty total months of assistance to cover the costs of a temporary rental while homeowners rebuild their homes.

RAP continues to refine their forecast as homeowners begin to receive additional construction assistance through the Supplemental Fund. In doing so, RAP has identified a need for additional funds to meet the temporary rental costs of homeowners working to complete remaining construction on their Sandy-damaged primary residences. Therefore, the State proposes to transfer \$303,115 to the Rental Assistance Program.

C. Transfer of Funds to Planning

Table 3: Transfer of Funds to Planning			
Approved New Jersey Action Plan Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Energy Resilience Bank	\$199,000,000	(-) \$238,560	*\$198,960,516
Planning	\$4,147,845	(+) \$238,560	\$4,386,405

* Inclusive of the \$300,000 transferred to the Landlord Rental Repair Program and the \$229,076 transferred from the Administration EDA Program

Seven years after the storm, the State continues to increase the investment in planning solutions. In doing so, the State hopes to leverage products that have resulted from prior local, regional, and statewide planning efforts to identify creative solutions to mitigation and resilience. To carry out this effort, the State proposes to reallocate \$238,560 for Planning.

D. Clarification of Administrative Activities

Table 4: Transfer of Funds from the Administrative Allocation			
Approved New Jersey Action Plan Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Administration-DEP	\$1,007,750	(-) \$1,007,750	\$0
Blue Acres Buyout Program	\$156,548,826	(+) \$507,750	\$157,056,576
Flood Hazard Risk Reduction - Acquisition	\$49,750,000	(+) \$250,000	\$50,000,000
Flood Hazard Risk Reduction - Infrastructure	\$49,750,000	(+) \$250,000	\$50,000,000
Administration-DEP-Water	\$240,000	(-) \$181,236	\$58,764
Clean Water State Revolving Fund	\$16,104,481	(+) \$181,236	\$16,285,717
Administration-RBD	\$4,800,000	(-) \$3,911,765	\$888,235
Rebuild by Design - Hoboken	\$227,100,000	(+) \$2,300,000	\$229,400,000
Rebuild by Design - Meadowlands	\$148,100,000	(+) \$1,611,765	\$149,711,765
Administration-EDA	\$1,836,353	(-) \$604,076	\$1,232,277
Neighborhood & Community Revitalization	\$72,374,656	(+) \$375,000	\$72,749,656
New Jersey Energy Resilience Bank	\$199,000,000	(+) \$229,076	*\$198,960,516
Administration-HMFA	\$3,397,600	(-) \$527,506	\$2,870,094
Fund for Restoration of Large Multi-Family Housing	\$661,926,901	(+) \$527,506	\$662,454,407

* Inclusive of the \$300,000 transferred to the Landlord Rental Repair Program and the \$238,560 transferred to Planning

HUD has clarified that certain reporting and finance activities performed by subrecipients in support of a specific program is not an administrative cost, but instead, an Activity Delivery Cost (ADC) because they are integral to, or specifically identified with, the achievement of a National Objective. Therefore, the State proposes to reallocate unspent administrative funding earmarked for these activities to the program itself, for it to be expended as Activity Delivery Costs. **Importantly, this consolidation has no effect on the funding resources available to any program.** The expenses just will be reported under the program and not under the “Administration” allocation.