

March 5, 2021

**State of New Jersey 2019 CARES Act  
Amendment March 5, 2021**

**State of New Jersey 2019 Annual Consolidated Plan Amendment  
Small Cities CDBG Program Section for Federal FY 2019 (State FY 2020)**

**Attachment D**

**Purpose of the Amendment**

This amendment adds two CARES Act CDBG Awards to the NJ Small Cities CDBG FFY 2019 Consolidated Plan section to prepare, prevent and respond to the coronavirus pandemic. On April 9, 2020 the State received \$4,026,075 to the State's CDBG Program (nonentitlement areas including opt-in municipalities). These funds have been labeled CDBG-CV1 Funds. On May 11, 2020 the State received additional CARES Act funds in the amount of \$31,587,994 to be administered to the entire State of New Jersey. These are labeled CDBG-CV2.

**Additional Funding - On September 11, 2020 the State received additional CARES Act funds in the amount of \$5,000,000 to the State's CDBG Program (nonentitlement areas including opt-in municipalities). These are labeled CDBG-CV3 and will be added to the CDBG-CV1 Funds in DCA SAGE following an amendment letter.**

**CDBG-CV1** -These funds will be administered by the State's Small Cities CDBG Program to the nonentitlement areas. Awards will be made to eligible counties by a funding allocation formula based on four factors. One factor takes into account each county's number of confirmed cases of COVID-19 on May 18, 2020, per capita - rate per 1,000 persons (NJ Dept. of Health data, May 18, 2020). The second factor incorporates the number of unemployed persons for the month of April 2020 (NJ Dept. of Labor data, June 3rd) for each county, versus year ago levels (using the rate of change). The third factor incorporates the number of eligible communities with MRI scores of 250 or less, county share of eligible municipalities with total eligible communities with MRI of 250 or less. The fourth incorporates the share of combined eligible county population. The nonentitlement opt-in communities will receive funds through the County. These four factors combined have been applied to the funds available to determine the amount of the award for each county and opt-in communities. Counties and municipalities are to meet with their communities (with MRIs at or below 250), citizens and community organizations to develop eligible activities based on the amount of funding and program requirements. Activities will be submitted to the DCA for review, approval and to set up in SAGE for a grant agreement to implement activities. The funding allocation to each county can be found in the attached Funding Distribution Table, CDBG-CV1, CV2 and CV3 Funds. This table applies four factors that distributes funds to the 7 counties and the opt-in communities (nonentitlement) in the State's Small Cities CDBG Program.

**CDBG-CV2** - These funds will be administered and awarded by the State's CDBG Program to the all New Jersey counties by a funding allocation formula based on three factors. One factor takes into account each county's number of confirmed cases of COVID-19 on May 18, 2020, per capita - rate per 1,000 persons (NJ Dept. of Health data, May 18, 2020). The second factor incorporates the number of unemployed persons for the month of April 2020 (NJ Dept. of Labor data, available on June 3rd) for each county, versus year ago levels (using rate of change). The third factor takes into account the share of state population. These three factors combined have been applied to the funds available to determine to amount of the award for each county. Counties are to meet with their communities, citizens and community organizations to develop eligible activities based on the amount of funding and program requirements. Activities will be submitted to the DCA for review, approval and to set up in SAGE for a grant agreement to implement activities. The funding

allocation to each county can be found in the attached Funding Distribution Table, CV1, V2 and CV3 Funds. This part of the table applies three factors that distributes funds to the State’s 21 counties statewide.

**This Amendment -**

**CDBG-CV3** -These funds will be administered by the State’s Small Cities CDBG Program to the nonentitlement areas. Awards will be made to eligible counties by a funding allocation formula based on four factors as with the CV1 Funds. One factor takes into account each county’s number of confirmed cases of COVID-19 on May 18, 2020, per capita - rate per 1,000 persons (NJ Dept. of Health data, May 18, 2020). The second factor incorporates the number of unemployed persons for the month of April 2020 (NJ Dept. of Labor data, June 3rd) for each county, versus year ago levels (using the rate of change). The third factor incorporates the number of eligible communities with MRI scores of 250 or less, county share of eligible municipalities with total eligible communities with MRI of 250 or less. The fourth incorporates the share of combined eligible county population. These four factors combined have been applied to the funds available to determine the amount of the award for each county and their opt-in communities. The nonentitlement opt-in communities will receive funds through the County. Counties are to meet with their communities (with MRIs at or below 250), citizens and community organizations to develop eligible activities based on the amount of funding and program requirements. Counties will submit CV projects to DCA for review, approval and set up in SAGE for grant agreements. CV3 funds will be added to CV1 applications in process, or existing CV1 SAGE grants by amendment. The funding allocation to each eligible CV3 county can be found in the attached Funding Distribution Table, CDBG-CV1, CV2 and CV3 Funds. This table applies four factors that distributes funds to the 7 counties and 4 counties with opt-in communities (nonentitlement) in the State’s Small Cities CDBG Program.

**CARES Act - CDBG-CV Program Funding Distribution of Allocations**

**First Award CDBG-CV1 Allocation            \$4,026,075**  
**State’s Nonentitlement Area,**  
**(7 Counties plus 4 counties with -**  
**opt-in towns, see table attached)**

**Administration &                            - \$220,782**  
**Technical Assistance**

**Funds to Award (Nonentitlement)            \$3,805,293**    **For communities in the State Small Cities CDBG Program Area with MRI numbers of 250 or less Refer to the CDBG-CV1 Funding Distribution of the Allocation Table (estimated range of grant amount: \$200,000 to \$500,000) 11 Awards, Approximately 19 Projects**

<b>This Amendment - Third Award CDBG-CV3 Allocation State's Nonentitlement Area, (7 Counties plus 4 counties with - opt-in towns, see table attached)</b>	<b>\$5,848,736</b>	
<b>Administration &amp; Technical Assistance</b>	<b>- \$275,462</b>	
<b>Funds to Award (Nonentitlement)</b>	<b>\$5,573,274</b>	<b>For communities in the State Small Cities CDBG Program Area with <u>MRI numbers of 250 or less</u> Refer to the CDBG-CV3 Funding Distribution of the Allocation Table (estimated range of grant amount: \$200,000 to \$500,000) 11 Awards, Approximately 27 Projects</b>

<b>Total Funding for CV1 and CV3 Eligible Counties</b>	<b><u>\$9,378,567</u></b>
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<b>Second Award CDBG-CV2 Allocation Entire State of New Jersey</b>	<b>\$31,587,994</b>	
<b>Administration &amp; Technical Assistance</b>	<b>- \$1,047,639</b>	
<b>Funds to Award (Statewide)</b>	<b><u>\$30,540,355</u></b>	<b>(Refer to CDBG-CV 2 Funding Part of the Distribution of the Allocation Table, County determines amounts based on need, estimate range of grant amounts \$200,000 to \$1,000,000 per project) 21 Awards, Approximately 85 Projects</b>

**Eligible Activities (for CDBG-CV1, CV2 and CV3 Funding)**

**I. Buildings and Improvements, Including Public Facilities**

The amount funded to be based on the demand for assistance determined by the county and municipality through community outreach.

Acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvement -

1. Construct a facility for testing, diagnosis, or treatment.
2. Rehabilitate a community facility to establish an infectious disease treatment clinic.
3. Acquire and rehabilitate, or construct, a group living facility that may be used to centralize patients undergoing treatment.

Rehabilitation of buildings and improvements (including interim assistance) -

1. Rehabilitate a commercial building or closed school building to establish an infectious disease treatment clinic, e.g., by replacing the HVAC system
2. Acquire, and quickly rehabilitate (if necessary) a motel or hotel building to expand capacity of hospitals to accommodate isolation of patients during recovery.
3. Make interim improvements to private properties to enable an individual patient to remain quarantined on a temporary basis.

## **II. Assistance to Businesses, Including Special Economic Development Assistance**

**The amount funded to be based on the demand for assistance determined by the county and municipality through community outreach.**

Provision of assistance to private, for-profit entities, when appropriate to carry out an economic development project -

1. Provide grants or loans to support new businesses or business expansion to create jobs and manufacture medical supplies necessary to respond to infectious disease.
2. Avoid job loss caused by business closures related to social distancing by providing short-term working capital assistance to small businesses to enable retention of jobs held by low- and moderate-income persons. Small business loans for rent
  - a. Small business loans for rent, utilities and other business-related costs to retain employees, up to \$10,000, or the amount allowable (**FRN-6218-N-01**), term of up 1 to 2 years, portion forgivable if business continues after term. (TBD) . Refer to waivers or approvals granted by the Assistant Secretary for Community Planning and Development, USHUD.

Provision of assistance to microenterprises -

3. Provide technical assistance, grants, loans, and other financial assistance to establish, stabilize, and expand microenterprises that provide medical, food delivery, cleaning, and other services to support home health and quarantine.

## **III. Public Services** (new or quantifiable increase, no cap of 15%)

**The amount funded to be based on the demand for assistance determined by the county and municipality through community outreach.**

Provision of new or quantifiably increased public services –

1. Carry out job training to expand the pool of health care workers and technicians that are available to treat disease within a community.
2. Provide testing, diagnosis or other services at a fixed or mobile location.
3. Increase the capacity and availability of targeted health services for infectious disease response within existing health facilities.
4. Provide equipment, supplies, and materials necessary to carry-out a public service.
5. Deliver meals on wheels to quarantined individuals or individuals that need to maintain social distancing due to medical vulnerabilities.
6. Rental assistance of up to 12 months to individuals and families with incomes up to 120% of the area AMI. This activity may be permitted only if a waiver or approval is granted by the Assistant Secretary for Community Planning and Development, USHUD.

**IV. Other COVID-19 Response Activities (TBD by Awardee/Grantee)**

**The amount funded to be based on the demand for assistance determined by the county and municipality through community outreach.**

Applicants and Grantees may develop a unique activity category if the activity is eligible and meets one of the CDBG Program’s national objectives – benefits people of low and moderate-income, responds to an urgent need and eliminates slums and blight.

1. Activities to be determined

Note: The activity categories above are permitted implementation costs of up to 5 percent of each award.

**Funds to Award - Distribution to Activities**

**Distribution to Activities - CDBG-CV1 Funding Table\***

<b>Grant Activities</b>	<b>National Objective</b>	<b>Entities: Counties and Municipalities</b>	<b>Maximum Grant Award</b>	<b>Number of Projects</b>	<b>Percent of Total Funding</b>
<b>Building and Improvements, Public Facilities</b>	LM/UR	\$1,200,000	\$200,000 to \$400,000	3 to 6	31.54%
<b>Assistance to Businesses, Special Economic Development</b>	LM/UR	\$1,000,000	\$100,000 to \$200,000	5 to 10	26.28%
<b>Public Services</b>	LM/UR	\$1,100,000	\$200,000	5 to 6	28.90%
<b>Other Activities – TBD by Applicant</b>	LM/UR	\$505,293	\$100,000	5 to 10	13.28%
<b>Subtotals</b>		<b>\$3,805,293</b>			<b>94.5%</b>
<b>State Administration</b>		\$220,782			<b>5.5%</b>
<b>Total Funding</b>		<b>\$4,026,075</b>		<b>18 to 32</b>	<b>100%</b>

70% of the funding, \$2,663,705 must meet the L/M National Objective.

L/M = Low and Moderate-Income People, UR = Urgent Need

**\*Department reserves the right to move funds between budget/funding categories outlined above in this Plan Amendment, (budget in the award letter, or grant agreement) based on demand for assistance. The Department may consider funding additional projects after awards are made should additional funds be recaptured, or be allocated from HUD.**

**Distribution to Activities CBDG-CV2 Funding Table\***

<b>Grant Activities</b>	<b>National Objective</b>	<b>Entities: Counties and Municipalities</b>	<b>Maximum Grant Award</b>	<b>Number of Projects</b>	<b>Percent of Total Funding</b>
<b>Building and Improvements, Public Facilities</b>	LM/UR	\$10,000,000	Up to \$500,000	20	31.65%
<b>Assistance to Businesses, Special Economic Development</b>	LM/UR	\$10,000,000	Up to \$250,000	40	31.65%
<b>Public Services</b>	LM/UR	\$10,000,000	Up to \$500,000	20	31.65%
<b>Other Activities – TBD by Applicant</b>	LM/UR	\$540,335	\$100,000	5	1.75%
<b>Subtotals</b>		<b>\$30,540,355</b>			<b>96.7%</b>
<b>State Administration</b>		\$1,047,639			<b>3.3%</b>
<b>Total Funding</b>		<b>\$31,587,994</b>		<b>85</b>	<b>100%</b>

70% of the funding, \$21,378,249 must meet the L/M National Objective.

L/M = Low and Moderate-Income People, UR = Urgent Need

**This Amendment -**

**Distribution to Activities CDBG-CV3 Funding Table\***

<b>Grant Activities</b>	<b>National Objective</b>	<b>Entities: Counties and Municipalities</b>	<b>Maximum Grant Award</b>	<b>Number of Projects</b>	<b>Percent of Total Funding</b>
<b>Building and Improvements, Public Facilities</b>	LM/UR	\$1,000,000	\$200,000 to \$500,000	2 to 5	17.10%
<b>Assistance to Businesses, Special Economic Development</b>	LM/UR	\$2,250,000	\$100,000 to \$250,000	9 to 22	38.47%
<b>Public Services</b>	LM/UR	\$2,250,000	\$100,000 to \$250,000	9 to 22	38.47%
<b>Other Activities – TBD by Applicant</b>	LM/UR	\$73,274	\$0 to \$75,000	1 to 3	1.25%
<b>Subtotals</b>		<b>\$5,573,274</b>			<b>95.29%</b>
<b>State Administration</b>		\$275,462			4.71%
<b>Total Funding</b>		<b>\$5,848,736</b>		21 to 60	<b>100%</b>

70% of the funding, \$3,901,292 must meet the L/M National Objective.

L/M = Low and Moderate-Income People, UR = Urgent Need

**\*Department reserves the right to move funds between budget/funding categories outlined above in this Plan Amendment, (budget in the award letter, or grant agreement) based on demand for assistance. The Department may consider funding additional projects after awards are made should additional funds be recaptured, or be allocated from HUD.**

### **Waivers and Alternative Requirements**

- 1.) Public Service Activities – CDBG public service funding cap of 15 percent is waived.
- 2.) Reimbursement of Costs - Eligible costs for approved activities are eligible for reimbursement back to January 22, 2020.
- 3.) Citizen Participation – Has been streamlined public hearings, including teleconferencing must provide at least a 5-day public comment period on projects proposed for CDBG-CV funding. In-person public hearings can be replaced with teleconferencing, or webpage notices with the ability to provide two-way communication either by teleconferencing, phone or e-mails.

**Note:** Please refer to the CV Federal Register Notice for more details, additional CDBG Program alternative requirements and allowances. HUD has provided the above waivers for the three CDBG-CV awards. However, additional waivers, alternative requirements and allowances may be granted by USHUD.

### **Special Requirements**

Other Sources of Funding: Assess the availability of other sources of funding first, such as, US Department of Health, FEMA and US Treasury before applying for CDBG CV funding.

### **Duplication of Benefits Prohibition:**

A duplication of benefit occurs when funding is provided for the same costs paid by another source, including private insurance, and the total amount received exceeds the total need for those costs. The grant agreement will require Grantees to report all sources of funds received, anticipated and received after implementation of the funded activity. Each grant activity will be required to complete a duplication of benefits analysis prior to the disbursement of the final payment. Any amount found to exceed the total amount needed for the activity will be returned and reallocated to open project(s) with need or will be returned to the Program's fund.

### **This Amendment - CDBG Program Requirements**

CDBG-CV1 and CV3 Funding – Only eligible nonentitlement counties and counties with opt-in municipalities in the State's nonentitlement area with MRI numbers at or below 250 are eligible to receive funds.

### **Standard NJ Small Cities CDBG Program Requirements**

All of the standard CDBG Program requirements will apply to the CDBG-CV1, CV2 and CV3 Funding, except for the above HUD waivers and the following:

- Citizen Participation has been streamlined. The mid-point public hearings are waived. Grantees must provide at least a 5-day public comment period when CV projects are eliminated, added and when grant funding equal to \$1,000,000 or more is reallocated in the grant's budget.
- Grant Management Plan (GMP) – The requirement for a resolution is waived. All other GMP parts remain. The GMP must be submitted no later than 90 days after execution of the grant agreement.
- Competitive Contracting – the procurement of consulting services has been modified for CV Funding. The minimum period to advertise the RFP has been reduce to 5 days. However, 10 or more days is recommended. In the case where one proposal is received the grantee has the option of having their attorney review the process and provide a written opinion the procurement met requirements, the intent of competitive contracting and did not violate State or local law. The written opinion, if favorable, can replace the need to repeat the RFP.
- Environmental Review Record (ERR) – To streamline the ERR review process counties should combine notices and can contact their DCA Grant Manager to initiate a parallel review process.

Contact your grant manager or refer to the Small Cities Program website at <http://www.nj.gov/dca/divisions/dhcr/offices/cdbg.html> for more information.

#### **Awards and Grant Implementation Schedule**

**CDBG-CV1 Funding** – Summary schedule, submit the Con Plan Amendment, set up SAGE for awards, Con Plan Amendment is approved - Commissioner sends award letters, SCP conducts teleconference workshop for Small Cities eligible counties and counties with opt-in municipalities, awardees develop and submit activities for review and approval, setup grant agreement and activities in SAGE for each awardee, grantee completes all federal assurances including ERR, Program issues release of funds (where required), counties, municipalities and their sub-recipients implement activities.

**CDBG-CV2 Funding** – Summary schedule, submit the Con Plan Amendment, set up SAGE for awards, Con Plan Amendment is approved - Commissioner sends award letters, SCP conducts teleconference workshop for 21 Counties, Counties develop and submit activities for review and approval, set up grant agreement and activities in SAGE for each County, grantee completes all federal assurances including ERR, Program issues release of funds (where required), counties and their sub-recipients implement activities.

#### **This amendment -**

**CDBG-CV3 Funding** – Summary schedule, submit the Con Plan Amendment, Con Plan Amendment is approved - Commissioner sends award letters, SCP conducts teleconference workshop for eligible counties and counties with opt-in municipalities, counties add CV3 to CV1 funds by amendment in SAGE, or counties develop and submit activities for review and approval, setup grant agreement and activities in SAGE for each county, grantee completes all federal assurances including ERR, Program issues release of funds (where required), counties and their sub-recipients implement activities.