

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 26

NON-SUBSTANTIAL AMENDMENT FOR FINANCIAL AND PERFORMANCE PROJECTIONS Inclusive of the Implications of Extension Approvals for all Round 3 and 5

DATE SUBMITTED TO HUD: MARCH 29, 2018

DATE APPROVED BY HUD: _____

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner



Non-substantial Action Plan Amendment Number Twenty-Six to Superstorm Sandy Disaster Relief Appropriation, Public Law 113-2, 2013

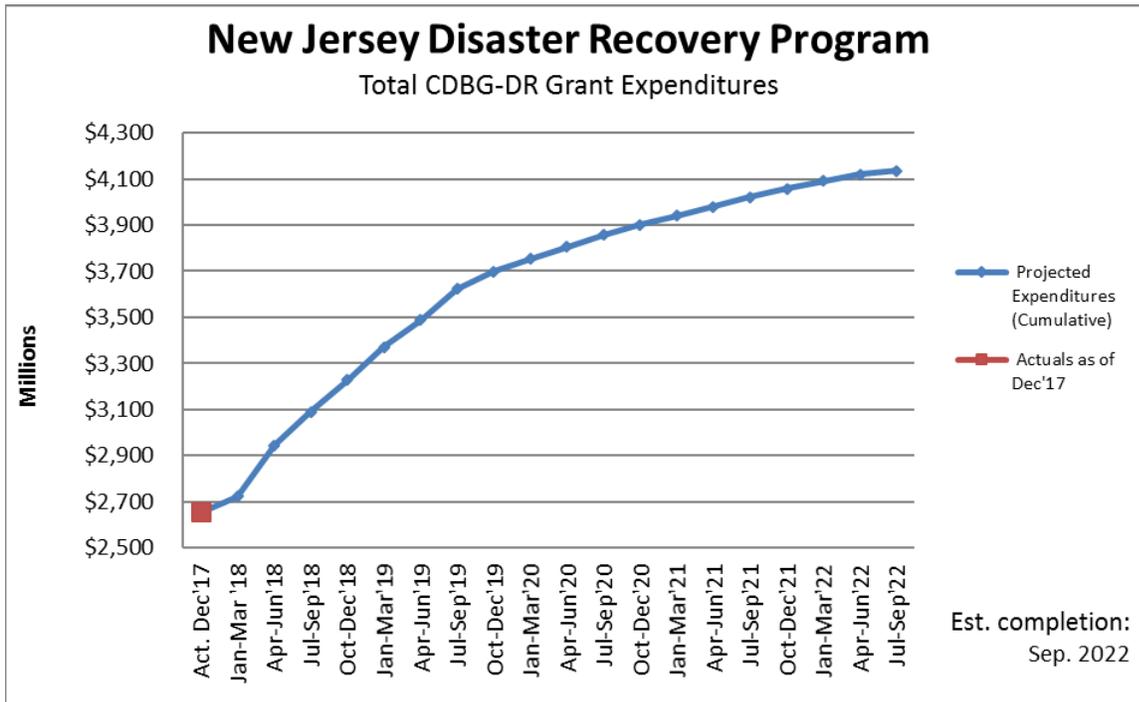
I. OVERVIEW

This Action Plan Amendment (APA) Number 26 to the State’s approved Action Plan is in compliance with the Federal Register Notice [FR-5696-N-01] issued on March 5, 2013. The Notice requires that Action Plans must be amended “to reflect any subsequent changes, updates, or revision of projections” that might occur due to actuals different than projections, budget moves, or extension approvals. Further, the Notice states that “amending the Action Plan to accommodate these changes is not considered a substantial amendment.” As a non-substantial amendment, the Non-Substantial Action Plan Amendment Number Twenty-Six will be posted on the DCA website in accordance with HUD requirements.

II. EXPENDITURE PROJECTIONS

The **Total CDBG-DR Grant Expenditures** chart demonstrates the timeline for the projected expenditure of \$4,174,429,000 in CDBG-DR funds awarded to New Jersey in the aftermath of Superstorm Sandy. This forecast accounts for all HUD approved expenditure deadline extensions as well as input from each program manager on the likelihood of spending the program budget/allocation. The programs included in our allocation of funds are described in detail in the State’s approved Action Plan.

The State would like to note that this forecast represents a net surplus of approximately \$38M. However, the State anticipates expending the entirety of the \$4,174,429,000 in CDBG-DR funds awarded. New Jersey is currently evaluating remaining unmet needs and will subsequently submit a substantial Action Plan amendment to HUD proposing a reallocation of this surplus.



Notes on Methodology

As the designated Grantee of Community Development Block Grant-Disaster Recovery (CDBG-DR) funds, the Department of Community Affairs (DCA) tracks the projections and expenditures of all activities identified in the Action Plan, as well as the allowable administration and planning costs. The State uses periodic projections from each program manager or subrecipient agency of CDBG-DR funds to confirm each program's financial and performance projections by quarter.

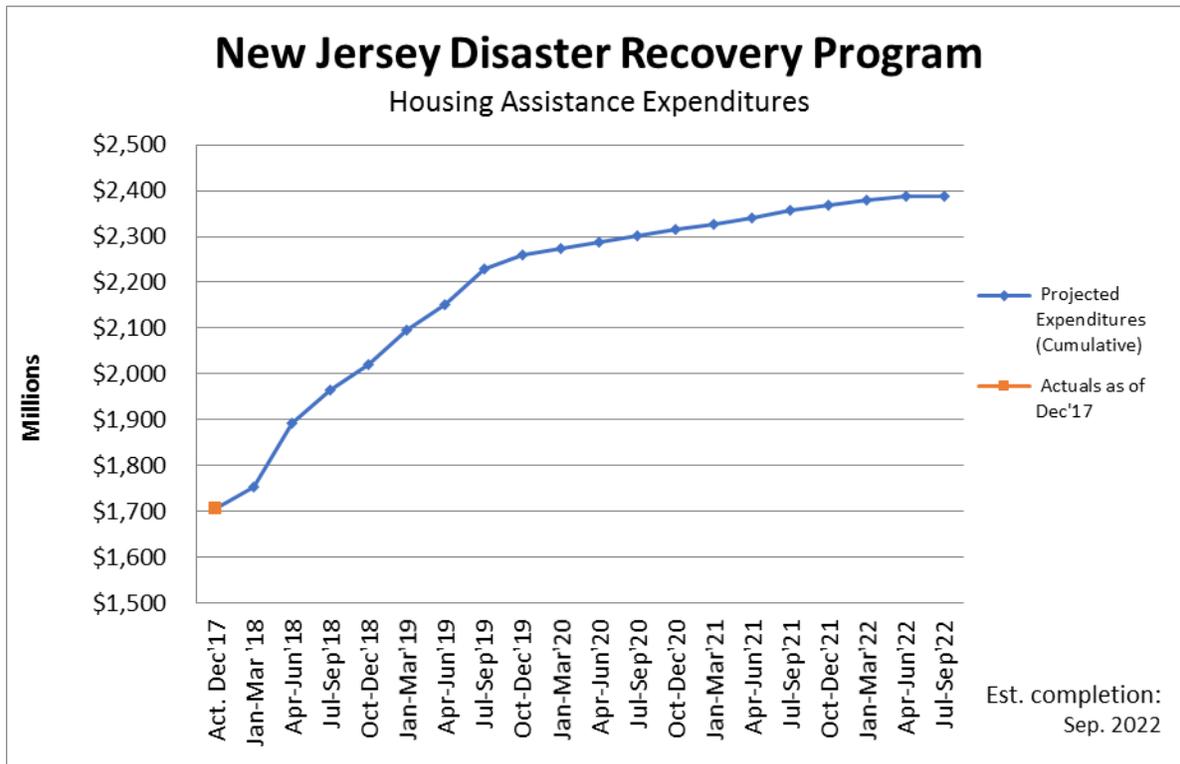
DCA has adjusted projections in this amendment to reflect the actual expenditures to date, as reported in the most recent Quarterly Performance Report (QPR) approved by HUD; quarter ending December 31, 2017.

Assumptions for Projected Expenditure Charts

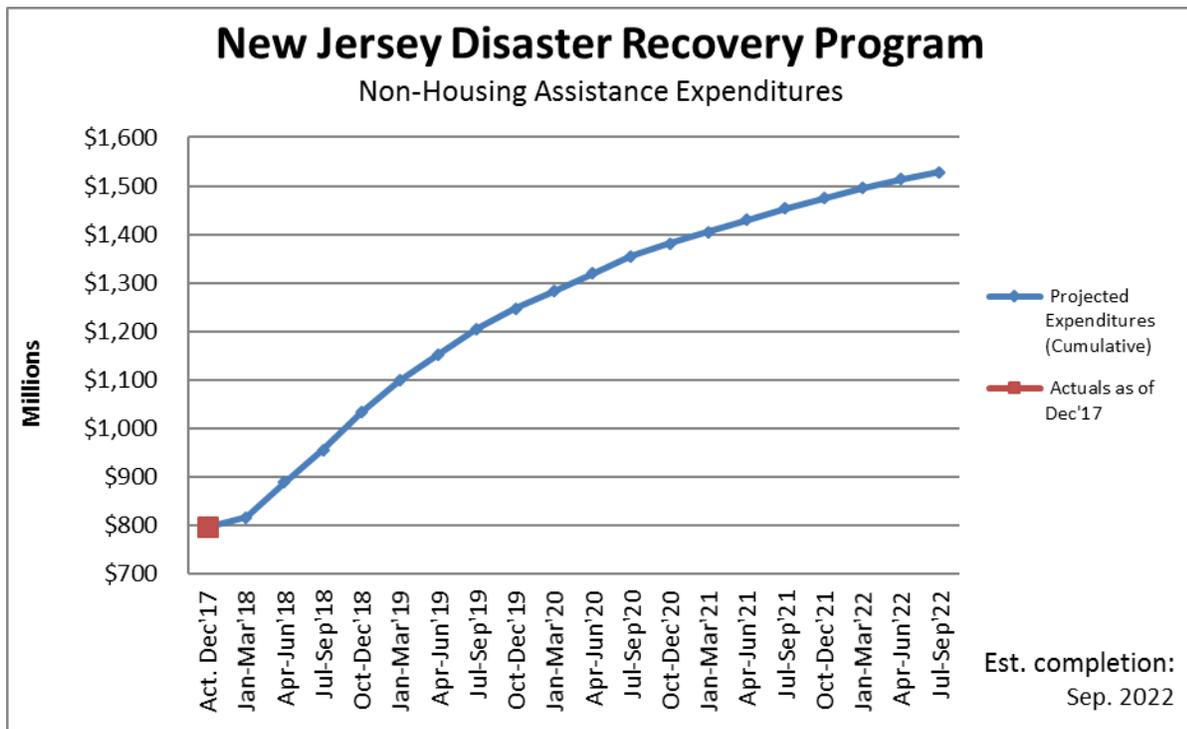
- Categories for expenditures in the following charts are defined by HUD in the Explanatory Guidance related to completing the projections. DCA has included a list of programs for each graphical representation included in the financial projections as aggregated to meet the HUD prescribed categories.
- The forecasts that are reflected in the charts in sections A and B are inclusive of direct project costs and activity delivery costs which include necessary environmental and historic clearances, title reviews, Uniform Relocation Assistance (URA), program management and program specific operational activities. Each program budget that is managed by a subrecipient agency also assumes a cap of 0.5% of program allocation for administrative costs. These costs are included in the Administrative and Planning chart. The Total CDBG-DR Expenditures chart and the Administrative and Planning chart are inclusive of Rebuild by Design (RBD) direct program and administrative funds.
- The Administrative and Planning chart in section C represents the projected expenditures for the overall administrative management and oversight of the total CDBG-DR funds, inclusive of Rebuild by Design. Administration costs have a cap set by HUD at 5% of the total grant funds.

As of December 31, 2017, the State has disbursed approximately \$2.65 billion to benefit homeowners, businesses, rental households and communities continuing to recover and rebuild and mitigate against the impact of future storms. The State continues to prioritize assistance to low-and-moderate income households and to those areas identified as most severely impacted by Superstorm Sandy.

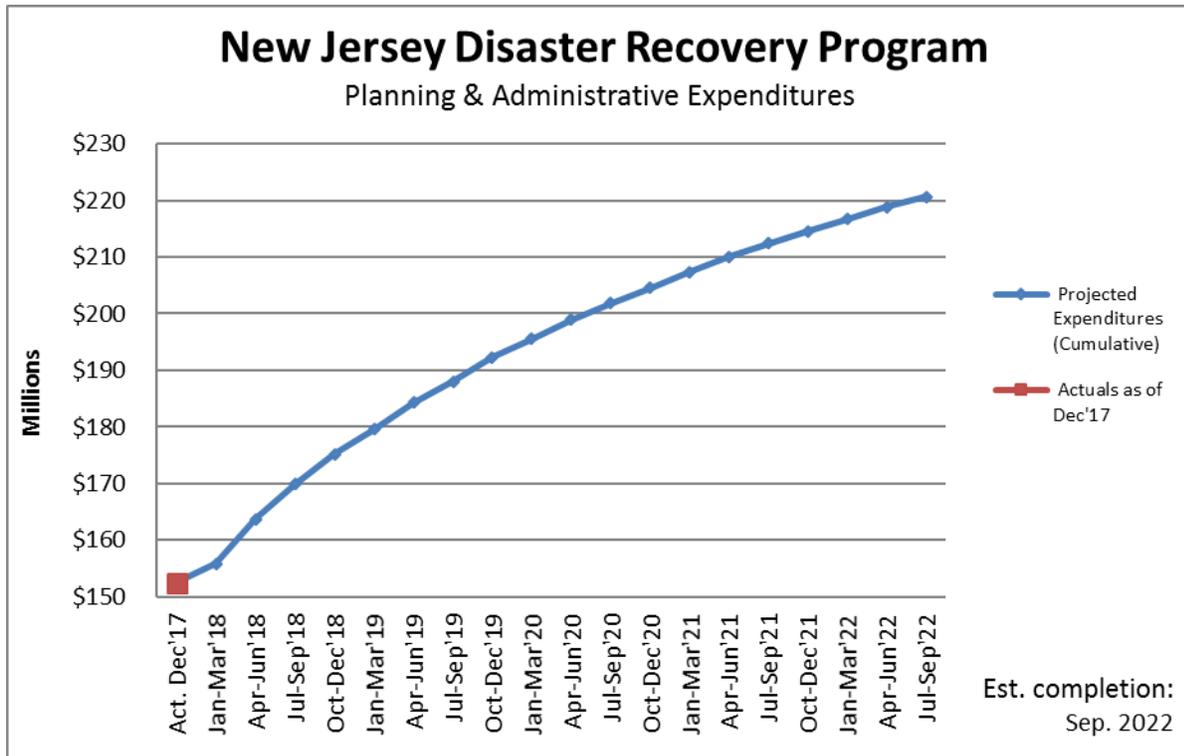
A. The **Housing Assistance Expenditures** chart demonstrates the projection of funds in programs targeted to provide recovery assistance in the housing sector. Programs for housing assistance are comprised of the homeowner and rental assistance programs. The recent HUD approved extensions have impacted the timeline of this forecast; actuals are as of December 31, 2017 and more realistic expectations are assumed on program completion. The programs include Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM); LMI Homeowners Rebuilding Program; Blue Acres Buyout Program; Homebuyer Assistance, Landlord Rental Repair Program; Multi-family Affordable Rental Housing; Special Needs Affordable Rental Housing; Neighborhood Enhancement; Lead Hazard Reduction; Flood Hazard Risk Reduction - Acquisition and the Predevelopment Loan Fund.



B. The **Non-Housing Assistance Expenditures** chart demonstrates the projected expenditures in the recovery programs considered to be non-housing, including those under Economic Revitalization, Support for Government Entities, Infrastructure (including Rebuild by Design) and non-housing Supportive Services initiatives such as the Housing Counseling/Case Management Program, Match (non-federal cost share programs), and the mosquito control and surveillance programs. The rental assistance programs, such as Incentives for Landlords, Homelessness Housing assistance in the form of Tenant-Based Rental Assistance, Rental Assistance, and Housing Resettlement Incentive grants are included in the non-housing category, as determined by HUD, since the grants are not considered as direct housing construction activities as captured in Table A. Many of the infrastructure programs' timeline of expected expenditures were also impacted by the recently approved extensions. Due to long term nature of some of these programs, there is considerable planning and design work required before significant expenditures occur; therein the slope of the chart line is still relatively steep in calendar years 2020 and 2021.



C. The **Planning and Administrative Expenditures** chart demonstrates the projected expenditures for planning activities, as well as those expenditures related to administration, management oversight, reporting, and monitoring of all programs funded by the CDBG-DR funds. This includes activities conducted by DCA’s Division of Local Planning Services and Environmental and Historic Mitigation Planning activities along with administrative dollars supporting Rebuild by Design (RBD).



III. PERFORMANCE PROJECTIONS

In the section below, programs have been grouped into categories based on the accomplishment type and DRGR Activity Type. Please note that each graph contains projected accomplishments for more than one program. The DRGR Activity Type represented in each section below is noted at the bottom of each graph.

Notes on Methodology

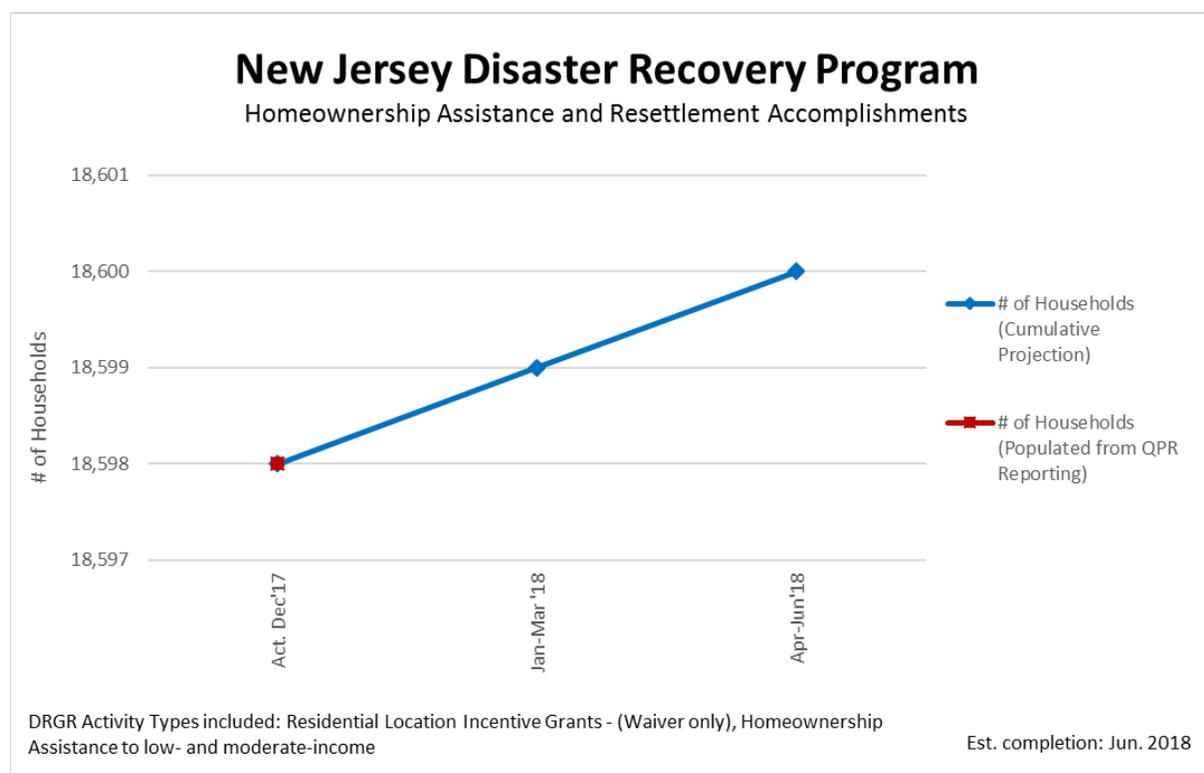
Program managers and subrecipients report expected completion of accomplishments when establishing their activities and upon completion of the activity, reconcile projections with the actuals. While there are many performance measures, the charts represented in Section III reflect the key performance measure for each program. DCA has adjusted projections going forward to reflect the actuals-to-date, as reported in the most recent Quarterly Performance Report (QPR) approved by HUD; quarter ending December 31, 2017.

Assumptions

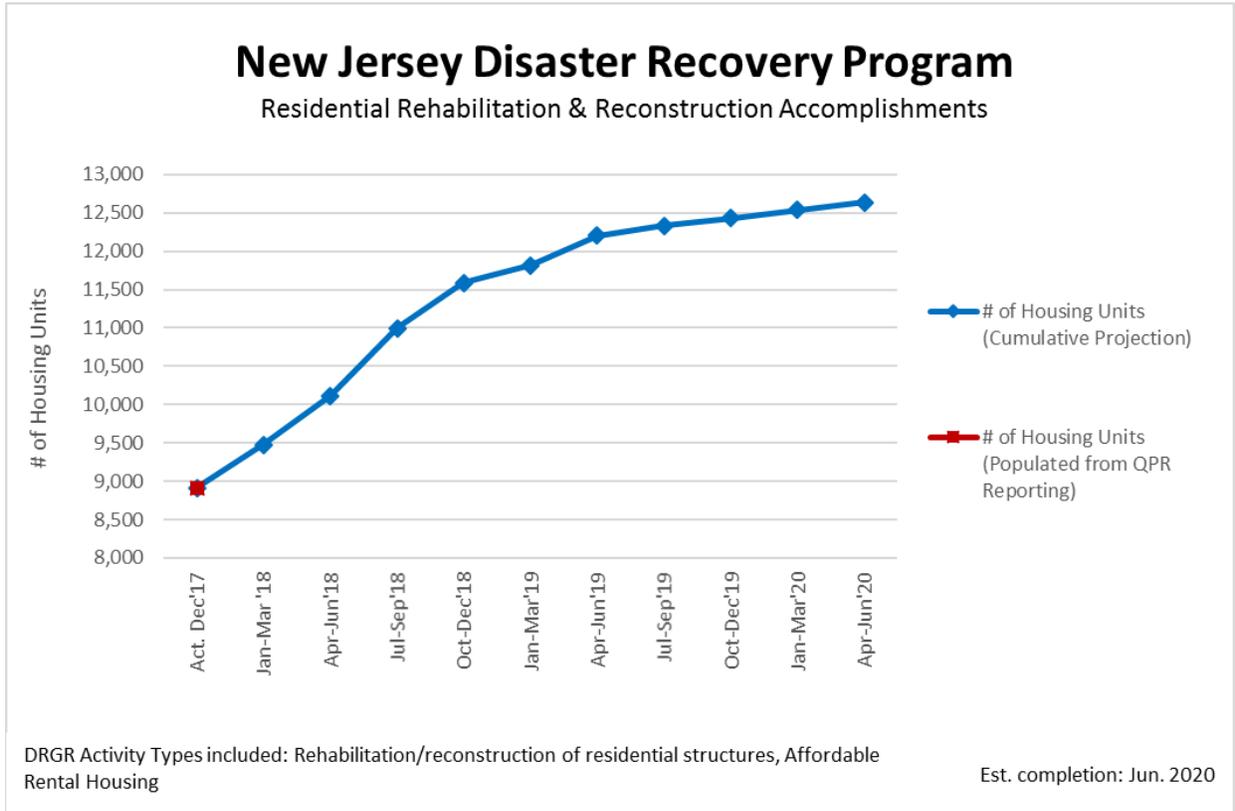
- Per HUD guidelines, performance measure projections for each program have been rolled up into categories based on the accomplishment type and DRGR Activity Type. Programs with several DRGR Activity Types and accomplishment types are represented in multiple graphs below so that all key performance measure projections are included.

- Performance is linked to the financial projections; however, the timing of accomplishments may not align with spending. The completion of accomplishments is based on the type of work being done and ultimately determined by the program manager. For instance, programs under the “Residential Rehabilitation & Reconstruction” category count an accomplishment when a housing unit has been completed, but the program could continue to recoup or disburse final payments. On the other hand, infrastructure programs like those in the “Public Infrastructure” category may show funds expended but the accomplishment is recorded upon completion of the entire project.

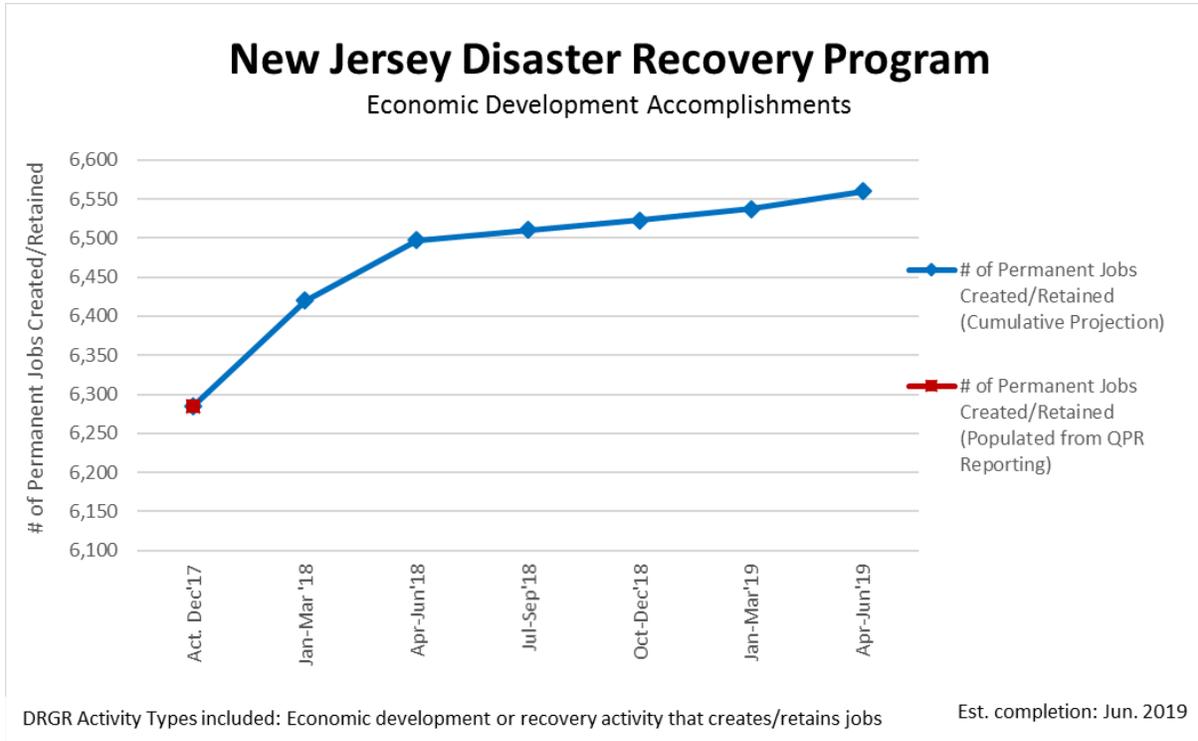
A. The **Homeownership Assistance and Resettlement Accomplishments** chart demonstrates performance projections for programs that will result in the assistance of homeownership or resettlement of affected households. This includes the Sandy Homebuyer Assistance Program and the Housing Resettlement Program.



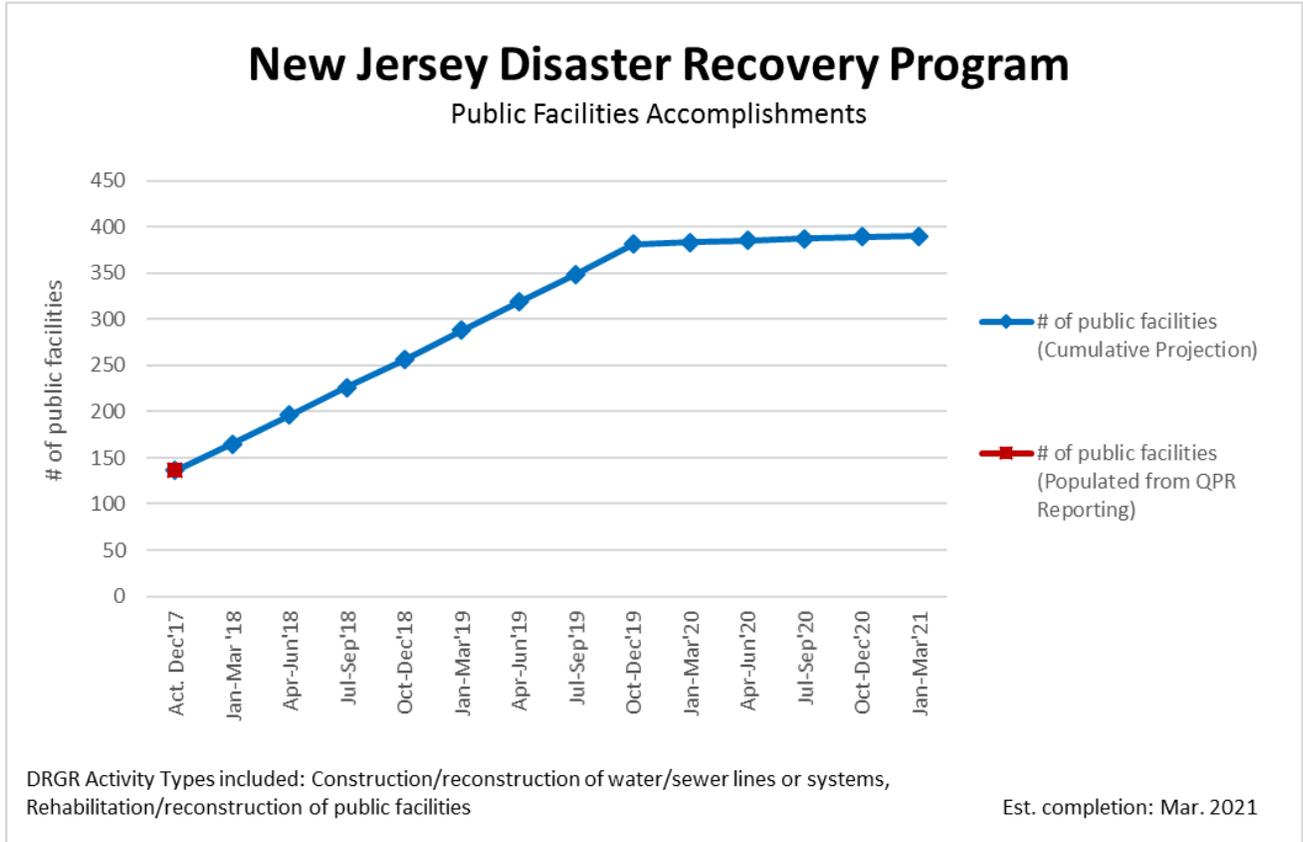
B. The **Residential Rehabilitation & Reconstruction Accomplishments** chart demonstrates the projected number of units that will benefit from the recovery programs for rehabilitation and reconstruction of existing rental and homeowner properties. This includes the Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM), the LMI Homeowners Rebuilding Program, the Landlord Rental Repair Program, the Fund for Restoration of Large Multi-family Housing, the Sandy Special Needs Housing Fund, the Neighborhood Enhancement Program, and the Lead Hazard Risk Reduction Program.



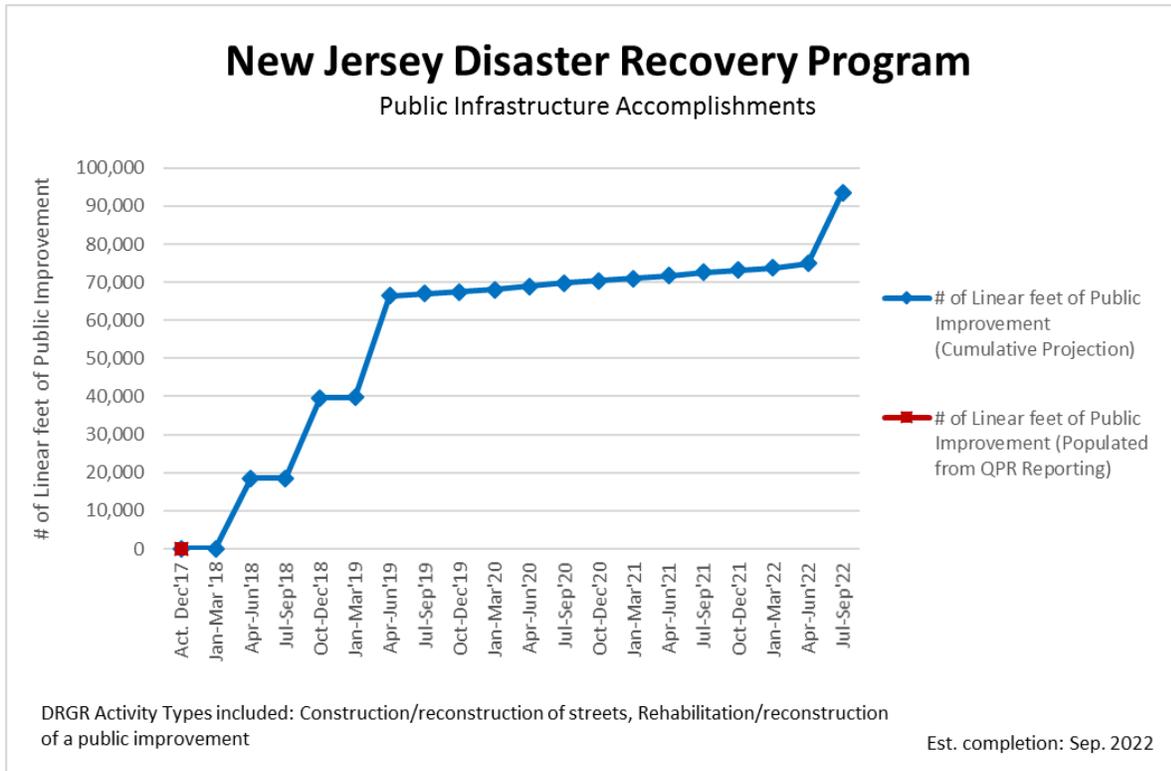
- C. The **Economic Development Accomplishments** chart demonstrates the projected outcomes of the economic development and revitalization programs, which is the total of jobs created and jobs retained as a result of the programs. This includes the Grants to Small Businesses and Direct Loans to Small Businesses programs.



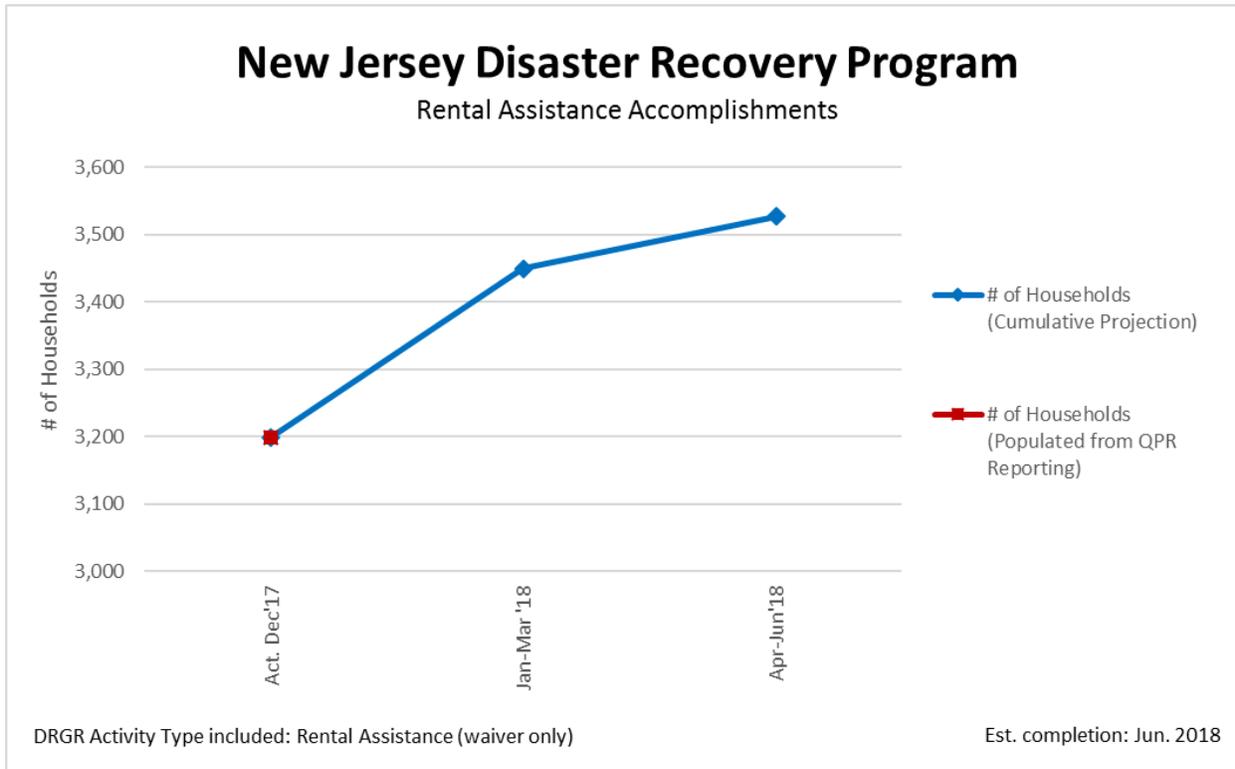
D. The **Public Facilities Accomplishments** chart represents projected outcomes for recovery and resiliency programs designed to assist with repair and improvements to public facilities through the use of non-federal cost share programs and infrastructure programs. This includes the Energy Resilience Bank, the Flood Hazard Risk Reduction and Resiliency Measures Infrastructure Program, the Non-Federal Cost Shares Program, the Neighborhood and Community Revitalization program, the Drinkingwater Revolving Loan Fund, and the Cleanwater Revolving Loan Fund.



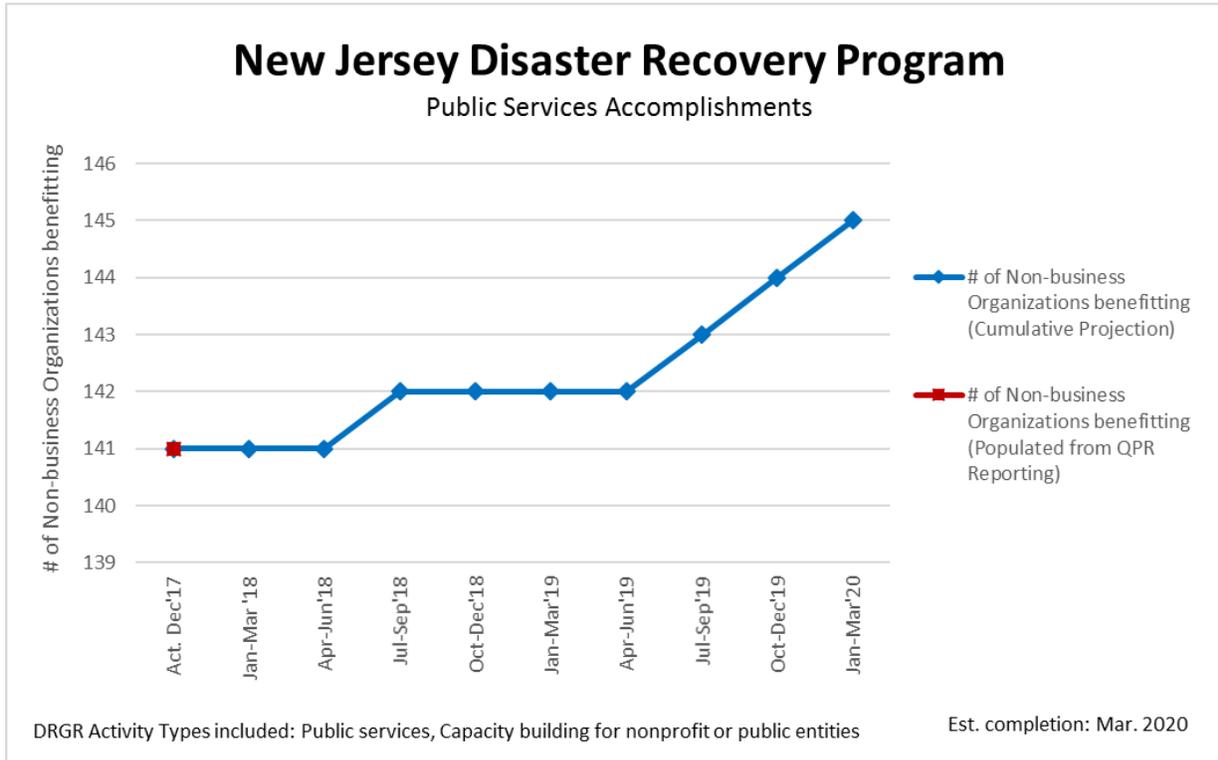
E. The **Public Infrastructure Accomplishments** chart represents projected outcomes for recovery programs designed for rehabilitation to critical public infrastructure. This includes the Federal Highway Administration non-federal cost share program and the Rebuild by Design projects.



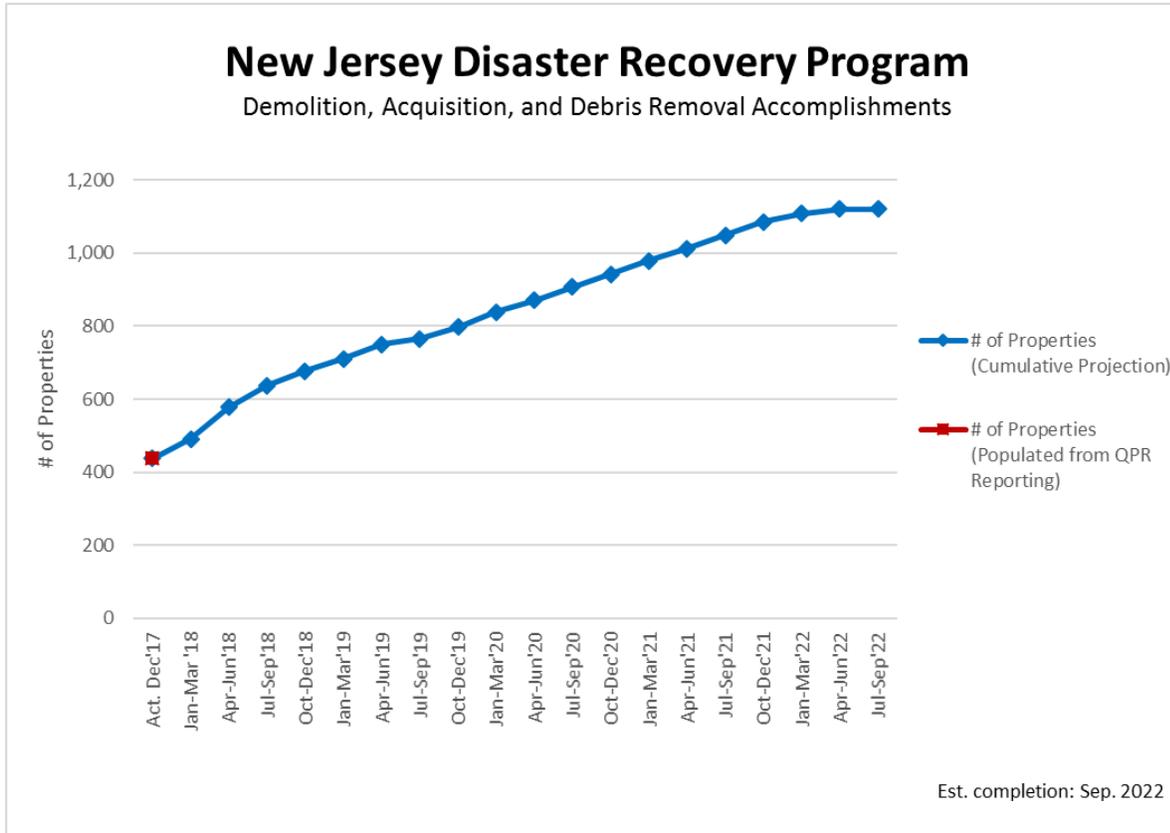
F. The **Rental Assistance Accomplishments** chart demonstrates the projected outcomes for programs designed to provide rental assistance and utility payments. This includes the Rental Assistance Program, the Tenant-based Rental Assistance Program, and the Incentives for Landlords program.



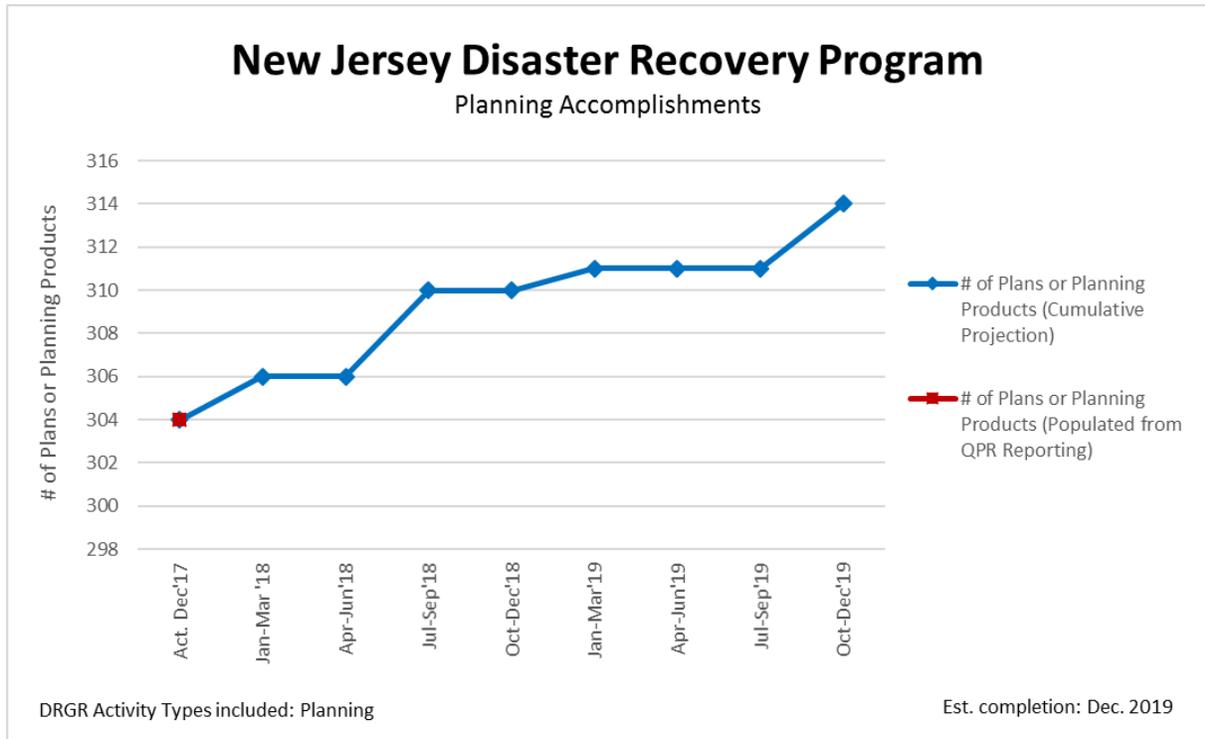
G. The **Public Services Accomplishments** chart represents projected outcomes for programs intended to benefit non-business organizations, which includes units of government. This category includes the Essential Services Grants Program, the DOH Mosquito Surveillance Program, the DEP Mosquito Control Program, the Zoning Code Enforcement Program for Municipalities, and the Predevelopment Loan Program for Affordable Rental Housing.



H. The **Demolition, Acquisition, and Debris Removal Accomplishments** chart represents projected outcomes for programs that benefit properties by acquiring or clearing the land for future improvements. This includes the Unsafe Structure Demolition Program, the Blue Acres Buyout Program, the Non-Federal Cost Share Program, and the Flood Hazard Risk Reduction and Resiliency Acquisition programs.



- I. The **Planning Accomplishments** chart represents projected outcomes for programs that support the funding of plans related to disaster recovery. This includes the DEP Mitigation Bank program and DCA’s Division of Local Planning Services Programs.



- J. The projected accomplishments table below represent programs with accomplishment types that do not fit into any of the groupings listed above. This includes the Housing Counseling Program, the Code Enforcement Program, and the Tourism Marketing Program.

Program	Accomplishment	Actuals as of 12/31/2017	Total Projected
Code Enforcement Program	# of Building Inspections	91,277	91,277
Housing Counseling Services (est. completion: June 2019)	# of Cases Closed	21,451	26,366
Tourism Marketing	# of Posted Advertisements for Tourism Initiatives	204,799,407	204,799,407

IV. ATTACHMENT A

The HUD Template (excel file) of Quarterly Projections of financial expenditures and performance is included as Attachment A to this APA Number 26.