

Document Purpose: *The purpose of this document is to explain the policies and procedures regarding the selection process for the Low-to-Moderate Income (“LMI”) Homeowners Rebuilding Program. This document is an excerpt pulled from Appendix C of the current LMI Program Policies and Procedures. For further detail, please refer to the current LMI Program Policies and Procedures available on the program’s website.*

NEW JERSEY ACTION PLAN PRIORITIES & ELIGIBILITY CRITERIA

- Priorities established to ensure that the focus of this first tranche of CDBG-DR funds is placed where storm damage was greatest.
- Three priorities for selection:
 - Priority 1: Manufactured Housing Units funded up to the VCA mandated \$10 Million, with “substantial damage,” as determined by New Jersey floodplain managers or as determined by DCA, regardless of zone, and,
 - Priority 2: Manufactured Housing Units funded up the VC mandated \$10 Million with “major or severe damage”
 - Priority 3: All eligible homes with “substantial damage,” as determined by New Jersey floodplain managers or as determined by DCA, regardless of zone, and,
 - Priority 4: (if demand and funds remain after Priority 1 -3): Homes with severe/major damage.

REASONS FOR RANDOMIZED PROCESS

- **Ensures equal access for LMI, disabled and elderly persons:** The proposed approach is intended to address important fair housing issues by enabling equal access for elderly, LMI and disabled persons who may have difficulties to apply directly on-line due to technology access. The program launch of the online application on January 5, 2015; with opening of in-person housing counseling agencies.
- **Target the most damaged homes:** The selection process prioritizes households with substantial damage located in any of the nine-impacted counties before households with major or severe damage.
- **Addresses safety and convenience issues by not requiring applications to arrive in person (and potentially wait in line) at housing counseling agencies:** The proposed process avoids the safety issues of having people wait in line to be first to apply in person. These housing counseling agencies are likely to serve a higher percentage of disadvantaged, the elderly, and persons with disabilities who may require more personalized attention to submit their applications. Early experiences with the intake process for the housing programs support the need for this approach. Based on early mis-reporting in a local publication about limited funds and a “first come, first served” approach, more than 600 individuals called in the first 30 minutes of call center operations. Some callers reported that they had been waiting for hours to make sure they were “first.”
- **Complies with intent of the Action Plan regarding addressing both fair housing and LMI goals:** The proposed process is a reasonable implementation of the Action Plan in the context of the issues above. This modified process does not trigger a change in the intended type or preference for beneficiaries. The planned process, in line with the Action Plan, ensures that the priority

beneficiaries are served in the percentages stated. If applications were processed in a purely time stamp order, this could not be assured.

- **Ensure fairness in the geographic distribution:** The process will ensure that no county is significantly underserved as an unintended result of the LMI goals, substantial damage targeting and the randomization process.

HOW THE SELECTION PROCESS WORKS

- Random numbers are assigned to applications based on the prioritization criteria listed in the “New Jersey Action Plan Priorities & Eligibility Criteria” section above.

Priority 1 – Randomize complete pool of Priority 1 applications with the highest ranking random numbers (e.g, 1, 2, 3, 4, 5)

Priority 2 – Randomize complete pool of Priority 2 applications with the highest ranking random numbers available, beginning with the next sequential number (e.g, 6, 7, 8, 9, 10).

Priority 3 – Randomize complete pool of Priority 3 applications, assigning the highest ranking random numbers available beginning with the next sequential number, (e.g., 11, 12, 13, 14, 15) proportionally to applicants from each county – using the FEMA Substantial Damage percentages in each of the nine impacted counties. If the proportional percentage for each county is met OR if all applications for a county with remaining space under the proportional number are assigned random numbers, AND there are applications remaining within the priority pool without an assigned random number the algorithm shall continue to assign the highest ranking random numbers available proportionally to remaining applicants from each county – using the FEMA Substantial Damage percentages, until all applicants within the priority pool are assigned a random number.

- a. If the FEMA Substantial Damage percentages, when calculated against the remaining pool of applicants within the priority, calculate to less than one application for a particular county – that county shall be afforded one application within that particular cycle of randomization.
 - b. If the FEMA Substantial Damage percentages, when calculated against the remaining pool of applicants within the priority, calculate to a fraction of an application (e.g., 9.3 applications) for a particular county – the number of slots available for that county in that cycle of randomization will be rounded up (e.g., 10 applications).
- All applications are reviewed for eligibility.
 - Based on demand and available funding the program will serve applications with “substantial damage” in the randomized order.
 - At a future date, if funds remain after all “substantial damage” applications have been processed, any otherwise eligible “major and severe damage” applications (Priority 4) will be processed.
 - As noted above, one of the State’s priorities is to assure approximate geographic fairness in the distribution of funds, based on level of damage. To achieve this goal, the State will continually monitor the distribution of funds and the number of assisted households by county. DCA will determine whether any county has been significantly underserved.

- The definition of an underserved county is based on the level of major/severe damage sustained to households in that county, as determined by FEMA and the number of households assisted. An underserved county will be defined as a county whose number of assisted households or aggregate level of assistance is outside a range from their damage level.
- This range will be determined by the following process;
 - Apply the percent major/severe damage level by county, using FEMA data (listed in the State’s Action Plan, page 2-15, normalized to 100%).
 - On a weekly basis, DCA will assess the approved households and the dollar assistance by county as a percent of the total awards made to date.
 - DCA will compare the percent of households awarded to the damage level percentages for each by county.

Example:

- **(1)** Ocean County has 38.5% of the damage among the nine impacted counties. The percentage threshold for Ocean County is 38.5%. Assume that 55% of the assisted households have been awarded to residents of Ocean County. The county is above its minimum thresholds and no action is taken.
- **(2)** The percentage threshold for Bergen County is 5.5%. Assume that less than 1% of the assisted households have been awarded to residents of Bergen County. The county is below its damage percentage for assisted households. If there are applications not yet processed for Bergen, the next funded applications meeting all eligibility criteria in randomized number order according the prioritization (structure type, then substantially damaged) will come from Bergen until the minimum is reached.
- **(3)** The percentage threshold for Hudson County is 6.59%. Assume that 1% of the assisted funds and 1% of the assisted households have been awarded to residents of Hudson County. The county is below its minimum threshold for dollars and assisted households. However, all applicants from Hudson have already been served. The application with the next random number will be processed.