

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 17

NON-SUBSTANTIAL AMENDMENT FOR FINANCIAL AND PERFORMANCE PROJECTIONS

Inclusive of the Third CDBG-DR Allocation & Rebuild by Design –Action Plan Amendment # 11 & # 12

DATE SUBMITTED TO HUD: July 14, 2015

DATE RESUBMITTED TO HUD: August 20, 2015

DATE APPROVED BY HUD: November 10, 2015

Chris Christie
Governor

Kim Guadagno
Lt. Governor

Charles A. Richman
Commissioner



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

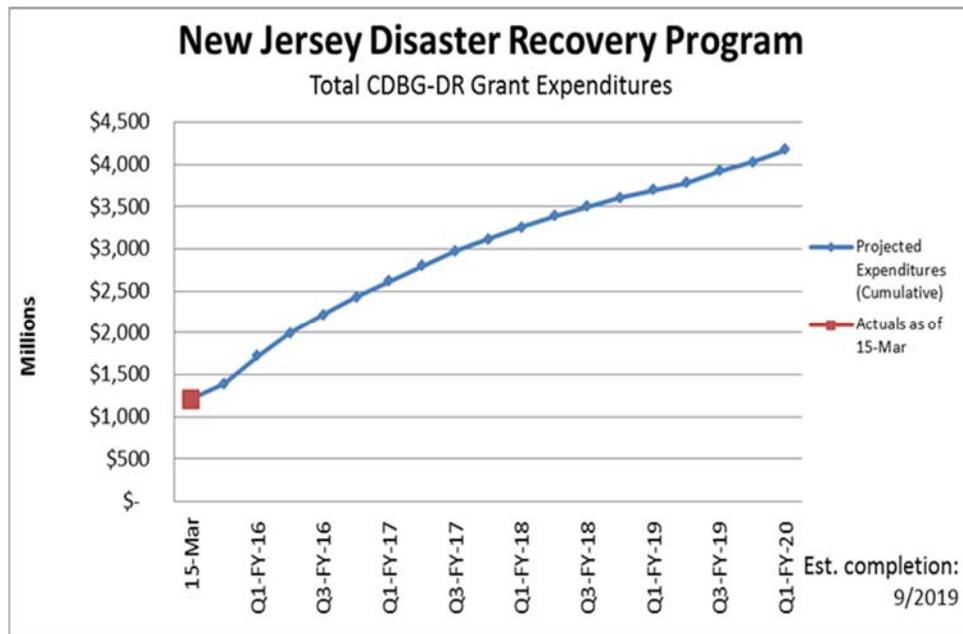
I. OVERVIEW

This **Action Plan Amendment (APA) Number 17** to the State’s approved Action Plan is in compliance with the Federal Register Notice [FR-5696-N-11] issued on October 16, 2014, in which the State received a third allocation of CDBG-DR funds of \$501,909,000, and an allocation of \$380,000,000 for Rebuild by Design projects. The Notice requires that a Grantee “amend its published Action Plan to update its projections of expenditures and outcomes within 90 days of its Action Plan Amendment approval.” On April 20, 2015, the State received formal approval from HUD of Action Plan Amendment Number Eleven for the third allocation and Action Plan Amendment Number Twelve for Rebuild by Design CDBG-DR funds.

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 Seventeen will be posted on the DCA website in accordance with HUD requirements.

II. EXPENDITURE PROJECTIONS

The *Total Projected Expenditures* chart demonstrates the timeline for the projected expenditures of the New Jersey CDBG-DR grant funds and Rebuild by Design funds approved by HUD as of April 20, 2015 in the total amount of \$4,174,429,000. The programs included in the allocation are described in detail in the State’s approved Action Plan and ensuing Amendments. The third allocation, as described in Action Plan Amendment Number Eleven, provides assistance to programs in storm-impacted sectors such as housing, economic development, infrastructure and essential public services. Action Plan Amendment Number Twelve supports Rebuild by Design projects.



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 incorporates projections from each program manager or subrecipient agency of CDBG-DR funds to confirm each program's financial and performance projections by quarter through the life of the program.

The State has adjusted projections going forward to reflect the actual expenditures to date, as reported in the most recent Quarterly Performance Report (QPR) approved by HUD, January 1, 2015 – March 31, 2015.

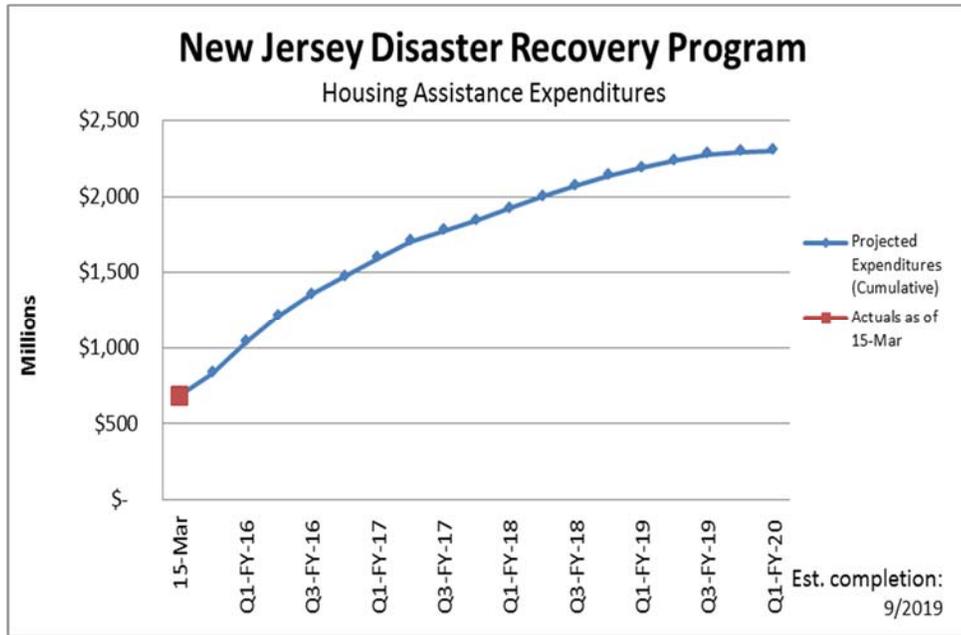
Assumptions for Projected Expenditure Charts:

- Categories for rolling up 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 Quarters as noted in the tables represent the NJ State fiscal year which runs from July 1 to June 30 of the following year. For instance, Q1-FY-16 is July-September 2015.
- The program 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 reporting. Activity delivery costs in general are between 15-20% of total program funds. Each program budget that is managed by a subrecipient agency also assumes a cap of 0.5% for administrative costs that according to HUD guidelines cannot be considered part of activity delivery; such as monitoring, auditing, financial management, general services, etc. 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) 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.
- In accordance with the Appropriations Act, the projections establish an end date of the current termination of funds in full by September 30, 2019. However, based on the Federal Register Notice [FR-5696-N-14] issued May 11, 2015, and as stated in section 904(c) of the Appropriations Act, the State reserves the right to request a waiver of the 24-month expenditure deadline if needed.

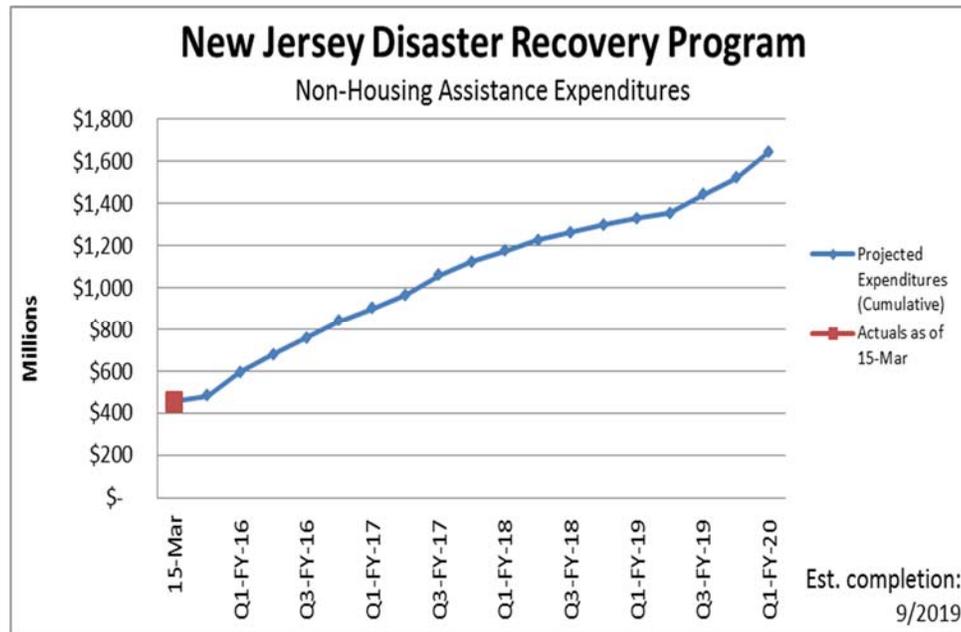
As of July 1 2015, the State has distributed an estimated \$1.4 billion directly to benefit homeowners, businesses, rental households and communities continuing to recover and building resiliency against the impact of future storms. The State continues to prioritize assistance to low-and-moderate income households and to those areas identified as most severely impacted by Superstorm Sandy.

- A. The ***Housing Assistance Projected Expenditures*** chart demonstrates the projection for the funds that are in programs targeted to provide recovery assistance in the housing sector. Programs for

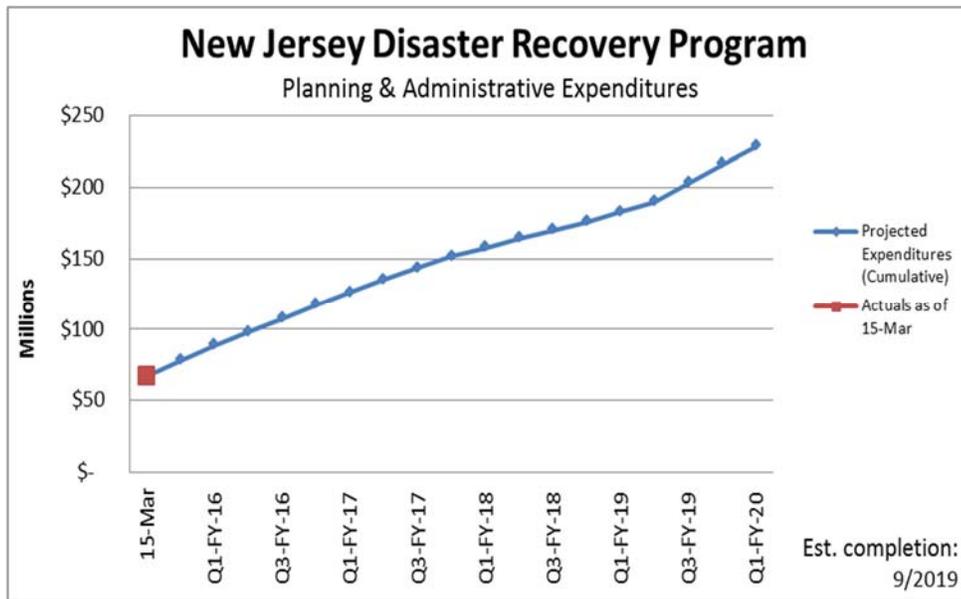
housing assistance are comprised of the homeowner and rental assistance programs. The programs include Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM); LMI Homeowners Rebuilding Program; Blue Acres Buyout Program; Landlord Rental Repair Program; Multi-family Affordable Rental Housing; Special Needs Affordable Rental Housing; Neighborhood Enhancement; Lead Hazard Reduction; and the Predevelopment Loan Fund.



B. The **Non-Housing Assistance Projected 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, FEMA Match, and the mosquito control and surveillance programs. The rental and down payment assistance programs, such as Incentives for Landlords, Homebuyer Assistance Program, Homelessness Housing assistance in the form of Tenant-Based 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.



- C. The **Planning and Administrative Projected 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 Local Planning Services and Environmental and Historic Mitigation Planning along with Rebuild by Design (RBD).



III. PERFORMANCE PROJECTIONS

The HUD template prescribes the categories in which the performance projections are reported. The projected outcomes are often drawn from across several programs.

Notes on Methodology:

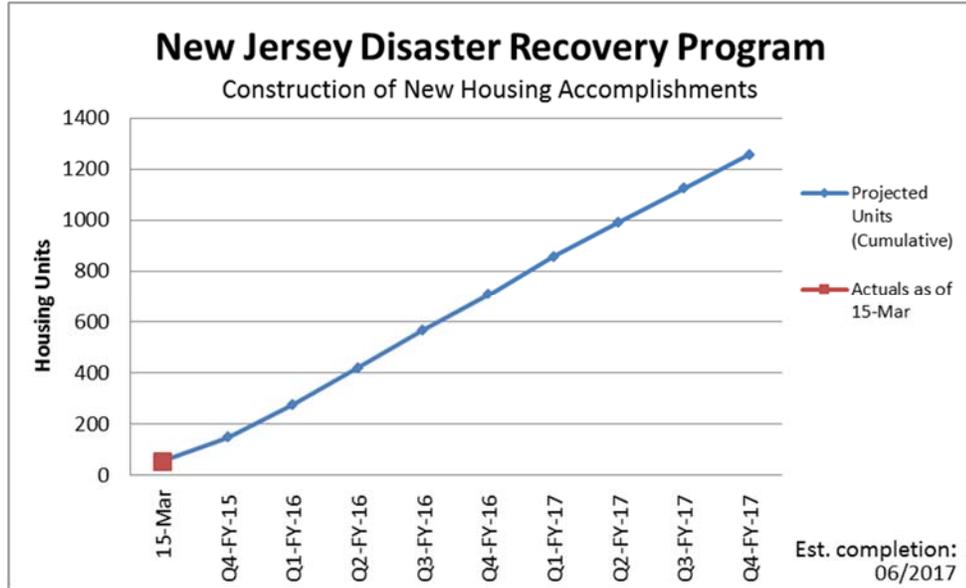
Program managers and subrecipients reported anticipated completion of performance goals for each quarter until all program funds are expended. While there are many performance measures, the charts represented in Section III reflect the performance measure groupings specified by HUD in the guidance for projections. The State has adjusted projections going forward to reflect the actuals-to-date, as reported in the most recent Quarterly Performance Report (QPR) approved by HUD, January 1, 2015 – March 31, 2015.

Assumptions:

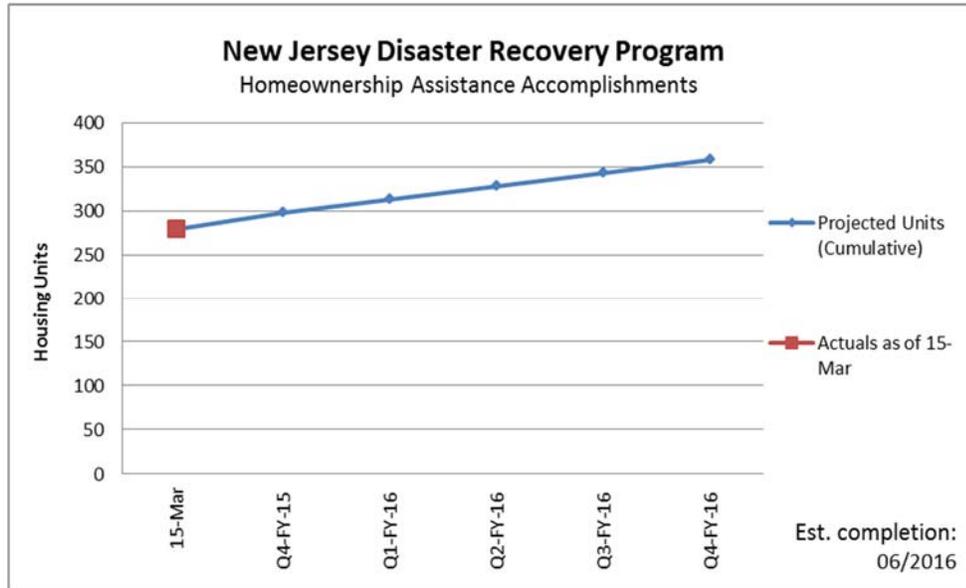
- Categories for rolling up performance indicators were defined by HUD and cut across programs. DCA has included a list of programs for each graphical representation included in the performance projections as aggregated to meet the HUD prescribed categories.
- Performance is linked to the financial projections; but, in line with HUD requirements, the performance results are only noted once completed and the national objective attained. The Performance Projections reflect the date at which the objective is considered met. For instance, new housing units under the multi-family affordable housing program are counted only when they complete tenant occupancy, although the financial projections would reflect funds spent on construction. Similarly, housing rebuilding and infrastructure construction may show funds expended but the performance measure is only achieved and recorded upon completion.

- A. The **New Housing Construction Projected Accomplishments** chart demonstrates performance

projections for programs that will result in the construction of new housing units. This includes Multi-family Affordable Rental Housing, Special Needs Affordable Rental Housing and the Neighborhood Enhancement Programs, which will create new housing units. (Note: The rehabilitation of existing units and homes are included in Table C).

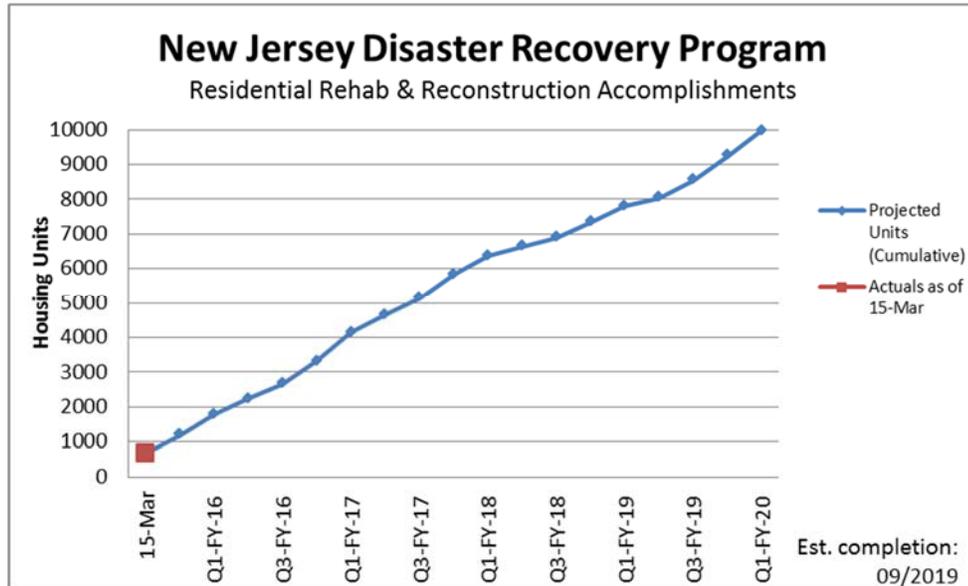


B. The **Homeownership Assistance Projected Accomplishments** chart demonstrates the projected outcomes for the program designated to assist renters and homebuyers with the ability to move towards homeownership. This includes the Sandy Homebuyer Assistance Program.

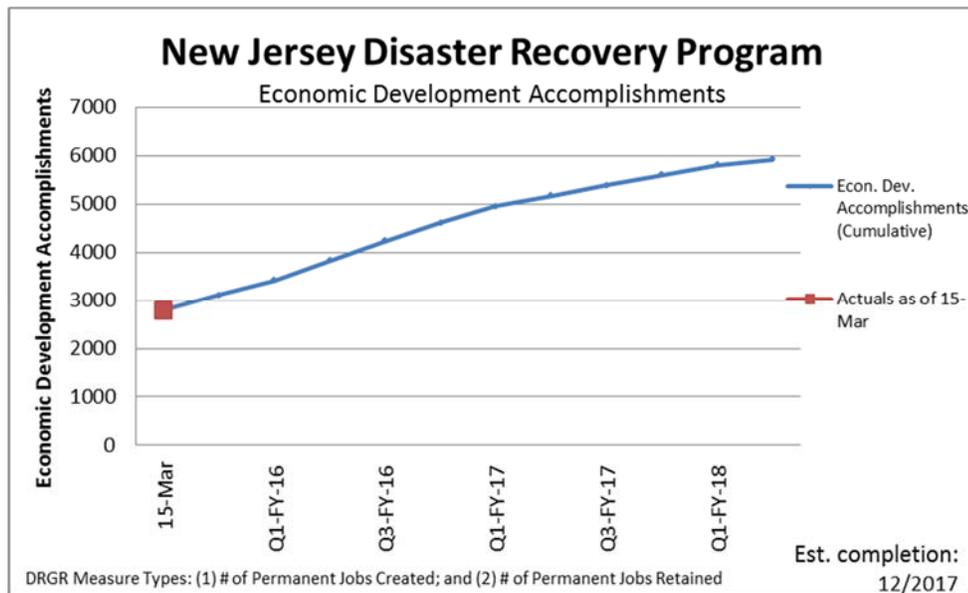


C. The **Residential Rehabilitation & Reconstruction Projected Accomplishments** chart demonstrates

the projected number of units that will benefit from the recovery programs for rehabilitation and reconstruction of existing rental and homeowner properties. This includes Reconstruction, Rehabilitation, Elevation and Mitigation Program (RREM), LMI Homeowners Rebuilding Program, Landlord Rental Repair Program, Multi-family Affordable Rental Housing, Special Needs Affordable Rental Housing, Neighborhood Enhancement and Lead Hazard Reduction.

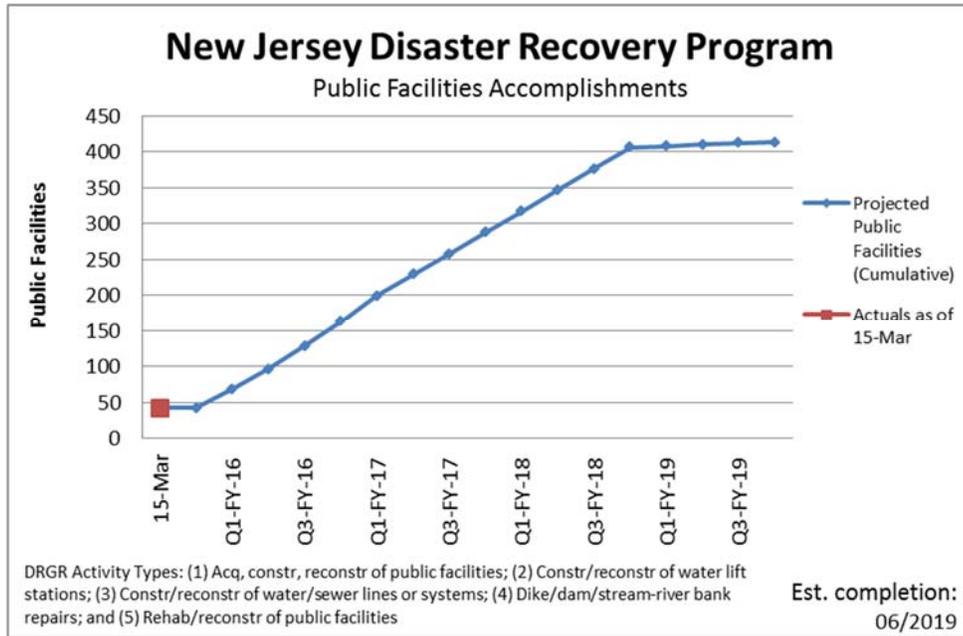


- D. The **Economic Development Projected Accomplishments** chart demonstrates the projected outcome of the economic development and revitalization programs. This includes the Grants and Forgivable Loans to Small Businesses and Direct Loans to Small Businesses.

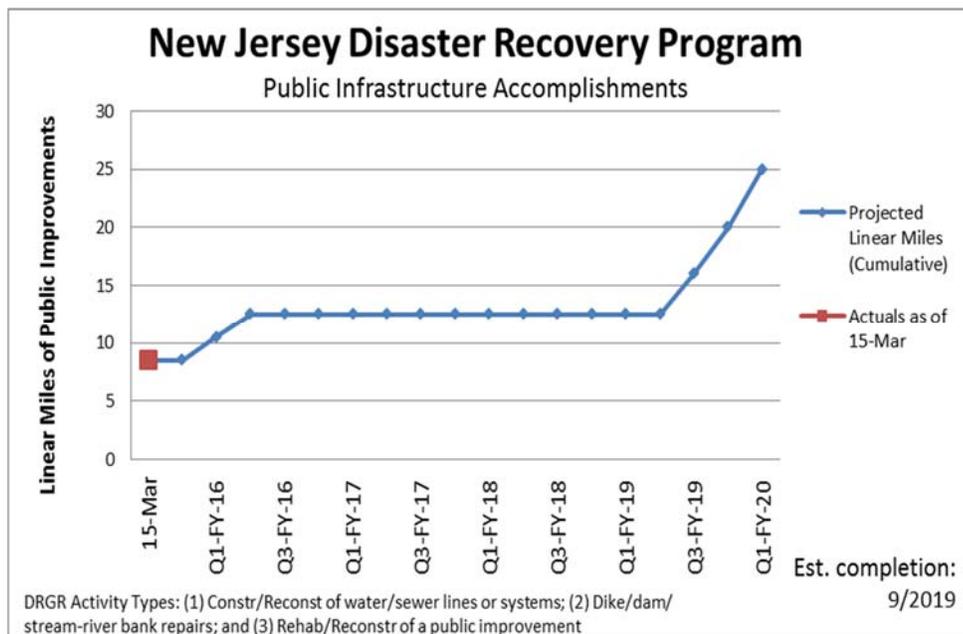


- E. The **Public Facilities Projected Accomplishments** chart represents projected outcomes for recovery

and resiliency programs designed to assist with repair and improvements to public facilities through the use of FEMA match and infrastructure programs. This includes the Energy Resilience Bank, the Flood Hazard Risk Reduction and Resiliency Measures Acquisition Programs and the Neighborhood and Community Revitalization program.



F. The **Public Infrastructure Projected Accomplishments** chart represents projected outcomes for recovery programs designed for rehabilitation to critical public infrastructure. This includes the non-federal match program and the Rebuild by Design projects, related to road and infrastructure repairs, flood control and resiliency improvements. Note that Rebuild by Design must undergo a series of planning and approval stages, as prescribed by HUD, and therefore generally has a longer timeline of implementation. Once the engineering design is completed in 2016, the project schedule will be more clearly defined.



G. The list

represents several performance measures and outcomes projected for recovery programs not represented in the previous sections.

PUBLIC SERVICES & OTHER	TOTAL
Projected governmental units assisted to address essential services needs	55
Projected Households Assisted – Resettlement Incentive Grant	18,128
Projected Affordable Units Assisted – Landlord Incentive	898
Projected Properties for Acquisition – Blue Acres Buyout Program	250
Projected Local Plans Developed (Planning Grants to Local Governments)	328
Projected Number of governmental units (non-business) assisted DOH & DEP Mosquito Surveillance and Education; Zoning Code Enforcement; Predevelopment Fund	268
Projected Number of building inspections	157,446
Projected Properties for Unsafe Structures Demolition	500
Projected Number of Homelessness Housing Tenant-Based Rental Assistance Households	2,250
Projected number of Cases Closed: Housing Counseling	2,153

ATTACHMENT A

The HUD Template (excel file) of Quarterly Projections of financial expenditures and performance is included as Attachment A to this APA Number 17.