

STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS

SUBJECT: RREM and LMI Program: Policy and Procedure Governing Project Extensions

NUMBER: 2.10.75

EFFECTIVE: August 2014
REVISED: October 2014
June 2015
June 2016
April 2017

**SANDY CDBG-DR
APPROVAL**

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PURPOSE

The purpose of this policy is to set forth the procedures that will govern projects that have not completed construction by the agreed upon deadline in the grant award agreement in the Reconstruction, Rehabilitation, Elevation and Mitigation (“RREM”) and Low-to-Moderate Income (“LMI”) Homeowner Rebuilding Program. This includes protocol for projects that require extensions and projects that have not completed construction after extensions expire.

This policy will supplement Section 1.11 of the RREM Program Policies and Procedures, 2.10.36, and Section 1.12 of the LMI Program Policies and Procedures, 2.10.79.

EXTENSION POLICIES

Applicants who have signed a grant prior to July 1, 2014 with the RREM Program have one (1) year from the date of grant signing to complete construction to occupancy and four (4) years from the date of storm, October 29, 2012, to meet the elevation standards, if applicable. Applicants who have signed a grant on or after July 1, 2014 with the RREM Program have one (1) year from the date of grant signing to complete construction to occupancy, including elevation, if applicable. For all LMI applicants regardless the date of grant signing, all construction must be completed to occupancy, including elevation, if applicable, within one (1) year from the date of grant signing.

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Applicants who experience a construction delay may submit a total of one (1) project deadline extension of six (6) months from the initial one (1) year project deadline based on personal hardship or reasonable construction delays. Applicants who need more time beyond the initial six (6) month extension may submit a total of one (1) conditional extension request for a specified period approved by DCA. Applicants who need more time beyond the conditional extension may submit a twelve (12) month probationary extension request, renewable annually thereafter. Extension requests must be requested in writing and are subject to the respective Program's approval on a case-by-case basis.

DCA reserves the right to approve or deny any extension requests. Failure to complete construction or submit an extension request may result in the administrative withdrawal of the application and recapture of any previously disbursed grant funds received by an applicant.

Effective June 1, 2016, the RREM and LMI Programs will not accept any extension requests if the applicant has not selected a contractor and submitted that contractor to the respective Program to be validated per Program requirements. Any applicant who has passed their one (1) year project deadline or six (6) month extended project deadline without a validated contractor will be designated under a status of "Deadline Hold." Applicants may remain under this status until issuance of a Notice To Proceed ("NTP") signifying that a contractor has been validated. The RREM or LMI Program may, on a case-by-case basis, administratively withdraw an applicant under this status if it is determined that the applicant is unable to select a contractor and submit that contractor to the respective Program to be validated per Program requirements. Once an NTP has been successfully issued to the applicant, the RREM or LMI Program will be able to review the appropriate extension request.

EXTENSION PROCEDURES

The RREM and LMI Programs will track all construction projects and provide notice to applicants as they approach their one (1) year project deadline, extended six (6) month project deadline, conditional extension deadline, and annually-renewable probationary extension deadline, if applicable.

Applicants will receive notices at the following intervals:

- Three (3) months remaining in the one (1) year project deadline, six (6) month extended project deadline, conditional deadline, and annually-renewable probationary deadline;

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- One (1) month remaining in the one (1) year project deadline, six (6) month extended project deadline, conditional deadline, and annually-renewable probationary deadline.

The notices will advise the applicant of the following:

- Applicant is approaching the one (1) year project deadline, six (6) month extended project deadline, conditional deadline, or annually-renewable probationary deadline to complete necessary work and has not yet provided evidence of completing repairs to occupancy; and
- Applicant may request a six (6) month extended project deadline, conditional extension, or annually-renewable probationary extension in writing.

Applicants who request and are granted a six (6) month extended project deadline, conditional extension, or probationary extension will be sent a notice confirming the approval of their extension request and noting their updated deadline to complete repairs to occupancy. Applicants who request and are denied a six (6) month extended project deadline extension, conditional extension, or probationary extension will be sent a notice confirming the denial, the reason(s) for denial, and that they are being administratively withdrawn from the RREM or LMI Program.

Conditional extensions and probationary extensions can only be requested when an applicant has experienced extreme hardship during the post-grant signing stages of the RREM or LMI Program.

Acceptable reasons to submit a conditional extension or probationary extension request may include, but are not limited to:

- Personal hardship, such as health issues or death in the family;
- Financial hardship, such as unemployment or withheld insurance funds; and
- Construction hardships such as contractor fraud, zoning variance, or pathway and feasibility switches.

Unacceptable reasons to submit a conditional extension or probationary extension request may include but are not limited to:

- Seasonal vacations;
- Indecisiveness when selecting a contractor; and
- Inability to find temporary residence during construction.

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If approved for a conditional extension or probationary extension, applicants will be required to:

- Demonstrate the ability to finish the project;
- Provide monthly updates on the status of the project; and
- Agree to additional on-site inspections, if requested.

The RREM and LMI Programs reserve the right to revoke the applicant's conditional extension or probationary extension and administratively withdraw the application for failure to adhere to the conditions outlined above.

APPLICANTS WHO HAVE PASSED THEIR DEADLINE

The following applies to applicants who have passed any one of the following deadline scenarios:

- One (1) year project deadline;
- Six (6) month extended project deadline;
- Conditional deadline; or
- Probationary deadline, renewable annually.

Applicants who have exceeded their deadline in any one of the above deadline scenarios will be sent a notice advising on the following:

- Applicant has passed their deadline to complete necessary work and has not provided evidence of completing construction to occupancy;
- Applicant has fifteen (15) days from receipt of notice to request the appropriate extension request or provide evidence of completing construction to occupancy; and
- Failure to take corrective action may result in the applicant's project being administratively withdrawn from the RREM or LMI Program and DCA pursuing the recapture of any previously disbursed grant funds received by an applicant.

Applicants who have not submitted the appropriate extension request or evidence of completing construction to occupancy after fifteen (15) days of receipt of the first notice may be sent a letter advising the applicant of the following:

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- Applicant has passed their deadline to complete necessary work and has not provided evidence of completing repairs to occupancy or the appropriate extension request;
- Applicant was notified of their current status in the RREM or LMI Program and that their project was non-compliant with the project deadline;
- Applicant is being administratively withdrawn and the RREM or LMI Program will be pursuing the recapture of any previously disbursed grant funds received by an applicant; and
- Applicant has thirty (30) days to request reinstatement into the RREM or LMI Program.