

# 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



### ACTION PLAN AMENDMENT NUMBER 8

#### **NON-SUBSTANTIAL AMENDMENT FOR THE FOLLOWING:**

- Clarification to Section 4.3.2 Direct Loans for Impacted Small Businesses
- Modification to Section 4.1.1 Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program related to Substantial Damage Documentation

DATE SUBMITTED: April 11, 2014

\*Written approval from HUD received: June 19, 2014

Chris Christie  
Governor

Kim Guadagno  
Lt. Governor

Richard E. Constable, III  
Commissioner

*\*Note, as a Non-substantial Amendment, according to HUD guidelines, the State is allowed to operate under the terms of the APA if HUD does not issue a contest within five days of submittal.*



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

**I. OVERVIEW**

The purpose of this **Action Plan Amendment (APA) Number 8** to the State’s approved Action Plan is to provide non-substantial clarifications to the identified program areas as detailed in the document. This amendment is considered non-substantial since these clarifications and additions do not involve a new allocation or transfer/re-allocation of funds, do not create a new program, and do not change program benefits or eligibility criteria. The amendment process follows the guidance in the applicable Federal Register notice related to non-substantial amendments and will be posted on the DCA website in accordance with HUD requirements.

**II. ACTION PLAN CLARIFICATION/MODIFICATION**

**A. Clarification to Section 4.3 Economic Revitalization**

The State is clarifying language in the approved Action Plan related to the *Section 4.3 Economic Revitalization*. This amendment is intended to ensure that the language is consistent and clear within the sections of the Action Plan and with the approved program policies and procedures. This is not a change to the program as designed and approved by the EDA Board, and as has been heavily communicated since inception. The clarification confirms clear communication in line with program intentions that the loans have a forgivable portion and remaining repayments revolve, and that the loans are structured with no interest and low interest components.

**Section 4.3 Economic Revitalization;** (paragraph 10)

“Based on New Jersey Economic Development Authority's (“NJEDA”) experience with construction and non-construction costs incurred by businesses, the State also proposes a **{delete}** ~~zero interest~~ loan program that would provide loans up to \$5,000,000 to address storm damage not addressed by the grant program and to promote economic revitalization activities. **{Insert}** *A portion of the loan may be forgiven after one year if certain conditions are met.*”

**Section 4.3.2 Direct Loans for Impacted Small Businesses** (paragraph 3)

(Paragraph 1)

“To further assist impacted small businesses in New Jersey in the short term, NJEDA will offer access to capital through **{insert}** *zero interest/low cost* loans to credit-worthy businesses.”

(Paragraph 3)

“Repaid loans under this product are intended to be revolved as loans for CDBG uses to continue to assist small businesses. **{Insert}** *No repayment would be expected from the forgivable portion of the loans, provided that the conditions to forgive are satisfied.*”

**B. Clarification to Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program**

The State is not proposing a change to the definition of substantial damage, which is consistent with the acceptable FEMA definition and that applies to the National Flood Insurance Program -- storm

damage to the structure that is more than 50% of the pre-storm value. The modification does not change any beneficiaries or prioritization. The State would like to clarify the existing language in the Action Plan to expand the source of documentation for the determination, with all requirements remaining constant. This would improve the program efficiency. The requirements for homes determined substantially damaged, as certified by DCA as the Grantee, remain in place and require elevating and floodproofing to the applicable standards. The program eligibility factors remain unchanged.

**“Eligible Applicants:** Homeowners whose primary residences sustained substantial, severe or major damage from Superstorm Sandy....

**Priority 1:** Homes with “substantial damage,” as determined by the New Jersey floodplain managers, *{insert} DCA or the RREM contractor, regardless of zone*”