

# 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 42

#### SUBSTANTIAL AMENDMENT

#### DRAFT

- **Clarifying Potential Uses of CDBG-DR Program Income**

PUBLIC COMMENT PERIOD: January 20 – March 7, 2022

DATE SUBMITTED TO HUD: March 8, 2022

DATE APPROVED BY HUD: May 18, 2022

Philip D. Murphy  
Governor

Lt. Governor Sheila Y. Oliver  
Commissioner



## SECTION 1: OVERVIEW

New Jersey (State) received approval from the U.S. Department of Housing and Urban Development (HUD) for the State's Community Development Block Grant-Disaster Recovery (CDBG-DR) Action Plan on April 29, 2013. The Action Plan described the State's allocation of \$1,829,520,000 of first round CDBG-DR funds allocated by HUD to support New Jersey recovery efforts. As Grantee, the Department of Community Affairs (DCA) was chosen to administer the CDBG-DR grant. Since that time, HUD has approved forty-one amendments to the Action Plan, including Substantial Amendment Number 7, which detailed the allocation of \$1,463,000,000 of second round CDBG-DR funds across the recovery programs, and Substantial Amendment Number 11, which described the allocation of \$501,909,000 of the third (and final) round of CDBG-DR funds intended to address unmet recovery needs.

This **Action Plan Amendment Number 42 (APA 42)** is considered a substantial amendment according to the definition stipulated in the March 5, 2013 HUD [Federal Register Notice 5696-N-01](#) and in accord with the State's Citizen Participation Plan because it changes the eligibility criteria as it relates to the State's expenditure of program income.

This Amendment is available in English and Spanish through DCA's website: <https://www.nj.gov/dca/ddrm/>, and can be obtained by email to [DisasterRecoveryandMitigation@dca.nj.gov](mailto:DisasterRecoveryandMitigation@dca.nj.gov) (Subject: Action Plan Amendment 42) or by contacting Division of Disaster Recovery and Mitigation Constituent Services at 609-292-3750. To obtain a translated copy in a language other than Spanish, please contact Neda Hartman, the language access plan coordinator, at (609) 633-2787 or [neda.hartman@dca.nj.gov](mailto:neda.hartman@dca.nj.gov).

The public comment period for Action Plan Amendment 42 was open from 9:00 a.m. on January 20, 2022 to 5:00 p.m. on March 7, 2022. Per HUD requirements, a public hearing was held during the comment period on February 4, 2022 from 2:30 p.m. to 3:30 p.m. The public hearing was held virtually on the Microsoft Teams platform. The State made all possible accommodations to ensure that the hearing was accessible for those with visual or hearing disabilities. The hearing included an option for closed captioning to provide effective communication and the recording has been posted to the DCA website: <https://www.nj.gov/dca/ddrm/home/apa42.shtml>. The State received no public comments.

## SECTION 2: CLARIFICATION

---

This Amendment clarifies the State's use of program income.

### Clarification of Potential Uses of CDBG-DR Program Income

Program income is the gross income received by the CDBG-DR Grantee (here, DCA) or any of its subrecipients (e.g., the Economic Development Authority, Housing and Mortgage Finance Agency, Department of Environmental Protection) that is directly generated from the use of CDBG-DR funds. While program income can be generated various ways, perhaps the most common example is payments of principal and interest on loans that were made using CDBG-DR funds. Additional information regarding how program income may be generated and used is available at 24 C.F.R. §570.489 and 24 C.F.R. §570.504, as well as on [HUD's website](#).

In APA 40, New Jersey qualified three options for the use of program income: (1) program income is maintained by the state agency administering the program (DCA or a subrecipient) to pay the agency's next CDBG-DR eligible expense; (2) program income is transferred from a subrecipient to DCA to pay the next CDBG-DR eligible expense; (3) program income is used as a revolving loan fund for CDBG-DR eligible purposes.

Through this amendment, the State now allows program income to be used for all eligible purposes under federal requirements. Consistent with HUD Federal Register Notice FR-5696-N-01, this includes the option to transfer unbudgeted program income to the State's annual CDBG program. Collectively, these options ensure rapid expenditure of program income and minimize any impact on the timely obligation and expenditure of CDBG-DR funds.

## SECTION 3: PUBLIC COMMENTS/RESPONSES

---

As required by HUD, this proposed Substantial Amendment was made available for public comment over a period of more than thirty days. Commenters were asked to submit comments to this proposed amendment (i) via email to: [lisa.ryan@dca.nj.gov](mailto:lisa.ryan@dca.nj.gov) (Subject: ACTION PLAN AMENDMENT 42); (ii) via U.S. mail; or (iii) via oral comments at the virtual public hearing. Per HUD requirements, the State held a public hearing on Friday, February 4, 2022 (2:30 p.m. to 3:30 p.m.) to solicit comments in connection with this proposed amendment. The public hearing was held virtually on the Microsoft Teams platform. The State received no comments.