

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 53 SUBSTANTIAL AMENDMENT

- **Reallocation of funds to the Rebuild by Design Program**
- **Reallocation of funds to the Resilient NJ Program**
- **Reallocation of funds within the Ida Recovery Programs**
 - PUBLIC COMMENT PERIOD: July 31, 2023 – August 29, 2023
 - DATE SUBMITTED TO HUD: September 20, 2023
 - DATE RESUBMITTED TO HUD: October 5, 2023 and October 12, 2023
 - DATE APPROVED BY HUD: December 22, 2023

Philip D. Murphy
Governor
Tahesha L. Way
Lt. Governor
Jacquelyn A. Suárez
Acting 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 a grantee, the New Jersey Department of Community Affairs (DCA) was chosen to administer the CDBG-DR grant. Since that time, HUD has approved 52 amendments. Included in those amendments was Substantial Amendment 7, which detailed the allocation of \$1,463,000,000 of second-round CDBG-DR funds across the recovery programs, and Substantial Amendment 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 53 (APA 53)** is considered a substantial amendment according to the definition stipulated in the March 5, 2013, HUD [Federal Register Notice 5696-N-01](#) and in accordance with the State's citizen participation plan because it changes a program benefit or eligibility criteria; adds or deletes an allowable activity described in the approved application; reallocates more than \$10 million or proposes a reduction in the overall benefit requirement.

APA 53 is available in English and Spanish through DCA's website, <https://www.nj.gov/dca/ddrm/>, and can be requested by email at DisasterRecoveryandMitigation@dca.nj.gov (Subject: Action Plan Amendment 53) or by contacting the 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 Sylvia Johnston, the language access plan (LAP) coordinator, at 609-913-4247 or Sylvia.Johnston@dca.nj.gov. For hearing-impaired users, text telephone service is available at (TTY/TDD) 1-800-852-7899.

The public comment period for APA 53 was open from 9 a.m. on July 31, 2023, to 5 p.m. on August 29, 2023. The State received no public comments.

SECTION 2: FUNDING TRANSFERS

Transfer of Funds to the Rebuild by Design Program

Table 1: Transfer of Funds to the Rebuild by Design Program

Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Reconstruction, Rehabilitation, Elevation, & Mitigation	\$1,355,669,800	(-) \$11,862,820	\$1,343,806,980
Housing Resettlement Program	\$202,809,469	(-) \$2,802	\$202,806,667
LMI Homeowners Rebuilding Program	\$50,891,931	(-) \$2,026,634	\$48,865,297
Blue Acres Buyout Program (2.0)	\$82,164,399	(-) \$5,000,000	\$77,164,399
Fund for Restoration of Large Multi-Family Housing	\$666,694,213	(-) \$212,627	\$666,481,586
Sandy Special Needs Housing	\$57,448,511	(-) \$106,656	\$57,341,855
Neighborhood & Community Revitalization	\$74,204,629	(-) \$154,973	\$74,049,656
New Jersey Energy Resilience Bank	\$209,687,105	(-) \$5,329,389	\$204,357,716
Atlantic City Resilience Program	\$20,370,461	(-) \$370,461	\$20,000,000
Flood Hazard Risk Reduction - Infrastructure	\$50,000,000	(-) \$9,933,638	\$40,066,362
Rebuild by Design - Hudson River (Hoboken)	\$229,400,000	(+) \$35,000,000	\$264,400,000

Through this Amendment, the State proposes to transfer \$35,000,000 million in Community CDBG-DR funds to the Rebuild by Design program.

The Rebuild by Design – Hudson River Project, known as “Resist, Delay, Store, Discharge,” is a comprehensive urban stormwater management strategy intended to address impacts from coastal storm surge flooding as well as systemic inland rainfall flooding seen in low-lying areas of Hoboken and parts of Weehawken and Jersey City during Superstorm Sandy.

The RBDH projects takes a multi-faceted approach to reduce the risk of flooding caused by major storm surges. Through the use of hard infrastructure, the Resist structure, along with existing topography, will run through the project area near the Hudson River and act as a floodwall during a storm surge event. Soft landscaping, such as a park, and other amenities will allow the Resist structure to be incorporated into the urban setting. The Resist portion of the work is the second phase of the RBDH project; the first phase, the Sewer System Modification (SSM) work, separated parts of Hoboken’s combined sanitary and stormwater lines on the “wet” side of the wall. The completed Phase 1 will also help to alleviate and reduce the risk of flooding by allowing the water to dissipate faster through the new discrete stormwater lines, rather than through the pre-existing combined sewer lines. The SSM portion of the RBDH project was completed in October of 2022.

The RBDH project has been awarded \$22,500,000 from FEMA’s Building Resilient Infrastructure and Communities (BRIC) program and \$100,000,000 from the State’s Coronavirus State Fiscal Recovery Fund. However, even with the allocation of these non-CDBG-DR funds, the RBDH project still projects a significant deficit. The transfer of these funds will fill the remaining deficit and ensure the RBDH project meets its goal of protecting life and property in the impacted area.

Transfer of Funds to the Resilient NJ Program

Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Small Rental Repair Program	\$5,000,000	-\$5,000,000	\$0
Resilient NJ Program	\$4,800,000	+\$5,000,000	\$9,800,000

Through this Amendment, the State proposes to transfer \$5,000,000 million in CDBG-DR funds to the Resilient NJ program.

The Resilient NJ – Regional Resilience Planning Grant Program is overseen by New Jersey’s Chief Resilience Officer at the Department of Environmental Protection (NJDEP) and is funding the development of creative and implementable approaches to regional resilience planning.

The State recognizes a continued unmet need to further coordinate and facilitate local government action on resilience, community outreach and engagement, and implementation of resilience activities in the Resilient NJ regions. In order to maintain the maximum flexibility, the transferred funds will also be made available to Ida impacted counties that overlap with Sandy designated counties. HUD allows states who have previously received CDBG-DR funding (Sandy) to use that funding for disasters that occur in the future as long as the previous funding (Sandy) is only used within the HUD MID counties that overlap both disasters (Sandy and Ida). This process is referred to as the interchangeability of funds by HUD. The overlapping HUD counties are Bergen County, Essex County, Hudson County, Middlesex County, Union County.

The program will now be expanded to serve both disaster areas and allow more communities to receive funds for resilient planning.

Transfer of Funds Related to the Ida Recovery Programs

In January 2023, the U.S. Department of Housing and Urban Development (HUD) announced that the State of New Jersey would receive a *second allocation* of \$149,229,000 in CDBG-DR funding through publication in the Federal Register, Vol. 88, No. 11, January 18, 2023 (88 FR 3198) to support long-term recovery and mitigation efforts following Tropical Storm Ida (DR-4614). This allocation was made available through the Continuing Appropriations Act, 2023 (Pub. L. 117-180) approved on September 30, 2022 (the 2023 Appropriations Act). This allocation will supplement the *first allocation* of \$228,346,000 of CDBG-DR funding announced by HUD in May 2022.

In Sandy Action Plan Amendment (APA) 48, DCA created Sandy programs that mirrored Ida Action Plan programs and funded them with transferred Sandy funds. HUD allows states who have previously received CDBG-DR funding (Sandy) to use that funding for disasters that occur in the future as long as the previous funding (Sandy) is only used within the HUD Most Impacted and Distressed (MID) counties

that overlap both disasters (Sandy and Ida). This process is referred to as the interchangeability of funds by HUD. The overlapping HUD counties are Bergen County, Essex County, Hudson County, Middlesex County, Union County.

The additional allocation allowed the state to relook at the distribution of Sandy Funding to the programs created in APA 48. Table 3 below shows the detail of the redistribution of Sandy funds for Ida recovery.

Ida Recovery in Overlapping HUD MID Counties	Previous Distribution	Redistribution	Revised Distribution
Small Rental Repair Program	\$5,000,000	-\$5,000,000	\$0
Homeowner Assistance and Recovery Program	\$8,160,000	+\$17,340,000	\$25,500,000
Smart Move	\$5,000,000	-\$5,000,000	\$0
Blue Acres	\$18,000,000	+\$0	\$18,000,000
Housing Counseling and Legal Services	\$4,000,000	-\$4,000,000	\$0
Tenant-Based Rental Assistance	\$5,000,000	-\$5,000,000	\$0
Resilient Communities	\$2,940,000	-\$2,940,000	\$0
FEMA Non-Federal Cost Share	\$2,500,000	-\$2,500,000	\$0
Statewide Housing Mitigation Tool	\$2,000,000	+\$2,100,000	\$4,100,000
Total	\$52,600,000	(\$5,000,000)	\$47,600,000

Through this Amendment, the State proposes to transfer \$19,440,000 million in CDBG-DR funds from the Smart Move, Tenant-Based Rental Assistance, Resilient Communities and Housing Counseling & Legal Services Program to the Ida Homeowner Assistance and Recovery Program (HARP), and Statewide Housing Mitigation Tool program. The State proposes to also transfer \$5,000,000 of Sandy funds for Ida Recovery back into the Sandy general fund to assist the Resilient NJ program as discussed in the “Transfer of Funds to Resilient NJ Program” section above. In order to maintain the maximum flexibility, the transferred funds will also be made available to Ida impacted counties that overlap with Sandy designated counties which is allowable through interchangeability.

This amendment will consolidate the Sandy CDBG-DR funding into a few limited Ida programs for a more streamlined approach. The concentration of these resources into three programs will ease the administrative burden as well as focus DCA’s funding efforts. DCA will continue to support the Ida programs, with the exception of the Cost Share Program, with money from Ida’s first and second CDBG-DR allocation. The Smart Move, Small Rental Repair Program, Tenant-Based Rental Assistance, and Housing Counseling & Legal Services Program received a combined total of \$121,000,000 from the Ida second allocation and Resilient Communities received \$54,000,000 from the Ida first allocation.

In the following paragraphs the reallocation is described more fully in terms of meeting unmet disaster recovery needs.

Homeowner Assistance and Recovery Program (HARP)

Through this Amendment, the State proposes to transfer \$17,340,000 million in CDBG-DR funds to the Ida Homeowner Assistance and Recovery Program (HARP) to meet the need established by the number of HARP applications received, bringing the total allocation to \$136,865,821.

In late February 2023, DCA opened applications to HARP. The application window closed on May 1, 2023. DCA received 2,222 applications with 2,198 applications from homeowners in the HUD and State MID areas. There were 24 applications from homeowners located in ineligible counties.

Out of the 2,198 applications 73% or 1,623 applications were from homeowners in overlapping state MID areas. As demonstrated by the number of applications received in the overlapping HUD MID reallocating funding into the HARP program will make sure that more of the high priority phases can be funded. Table 2 breaks down the applications received into the priority groups. DCA will fund applications by phase, with phase 1 receiving priority.

Table 2: Applications by phase in the overlapping HUD MID areas

Priority	Phase	Number of Applications
1	Phase 1 - Less than 80% of AMI and above 62 or disability in household	471
2	Phase 1 - Less than 80% of AMI only	447
3	Phase 2 - 80 - 120% of AMI and above 62, disability and substantial Damaged	13
4	Phase 2 - 80 - 120% of AMI and above 62, disability or substantial Damaged	163
5	Phase 2 - 80 - 120% of AMI	208
6	Phase 3 - 120% of AMI to \$250,000 and above 62, disability and substantial Damaged	8
7	Phase 3 - 120% of AMI to \$250,000 and above 62, disability or substantial Damaged	99
8	Phase 3 - 120% of AMI to \$250,000	214
	Grand Total	1,623

Statewide Housing Mitigation Tool

Through this Amendment, the State proposes to transfer \$2,100,000 million in CDBG-DR funds to the Statewide Housing Mitigation Tool program to add to the \$2,000,000 amount already allocated to the program and compensate for the reallocation of all the funding from the program in the Ida Action Plan. This will bring the total funding for the program to \$4,100,000.

Since the demand for housing and public service programs under the Ida Action Plan is immense, funding for the housing mitigation tool will be solely funded with Sandy funding. This change will allow more of the HUD Ida CDBG-DR additional allocation to be utilized for housing and public service programs.

The Statewide Housing Mitigation Strategy Tool was created to assess the housing stock in disaster-impacted and at-risk areas. This assessment may include such components as taking inventory of housing by type, risk, accessibility, and other components needed to understand community and regional residential vulnerabilities. This valuable tool will be used for both Sandy disaster affected areas as well as the overlapping Ida HUD MID counties. Therefore, the state can maximize planning for future disasters throughout the state.

FEMA Non-Federal Match Program

DCA will reallocate all funding from the FEMA Non-Federal Match program and eliminate the program. The state has dedicated other state funds to support the FEMA non-federal cost share related to Ida.

SECTION 3: CLARIFICATIONS

Clarification to the Ida Blue Acres Buyout Program

DCA does not want to create restrictions on which Blue Acre recipients would be eligible for the safe housing incentive. During the program policy development, restrictive language was discovered in 4.8.29 in Program Maximum Assistance stating that in order to receive a safe housing incentive it was contingent on owning the property at the time of the disaster. That language is inconsistent with the

intent of the safe housing incentive and could result in households not receiving assistance that need additional support to relocate. The incentive will be made available to owners who are primary residents at the time of application instead of at the time of the disaster. This change will result in more recipients being eligible for the incentive.

Edit in Section 5.3.3 Hurricane Ida Blue Acres Program, “Program Maximum Assistance”

The program may award incentives to eligible applicants in addition to the buyout award. Incentives are available to owners who are primary residents **{insert}** at the time of application. **{delete}** ~~at the time of the disaster.~~

SECTION 4: PUBLIC COMMENTS AND RESPONSES

As required by HUD, this proposed substantial amendment, APA 53, was made available for public comment over a period of at least thirty days.

Commenters were able to submit comments to this proposed amendment (i) via email to DisasterRecoveryandMitigation@dca.nj.gov (Subject: APA 53); or (ii) via U.S. mail. The State received no public comments.