

**PROGRAM YEAR 2019
STATE OF NEW JERSEY
CARES ACT ANNUAL ACTION PLAN
SUBSTANTIAL AMENDMENT FOR
EMERGENCY SOLUTIONS GRANT PROGRAM
SECOND ALLOCATION DRAFT**



**State of New Jersey
Phil Murphy, Governor**

**Department of Community Affairs
Lt Governor Sheila Y. Oliver, Commissioner**

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Draft Program Year 2019 State of New Jersey's CARES Act Substantial Amendment

Background:

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, was signed into law. The State of New Jersey is receiving supplemental funding through the CARES Act to mitigate the economic impacts caused by the COVID-19 pandemic. In order to receive these funds, the state is required to prepare and submit a substantial amendment to its Program Year 2019 Annual Action Plan to the US Department of Housing and Urban Development (HUD).

Due to the COVID-19 pandemic, the State received a HUD waiver for citizen participation for the CARES funds. The waiver allows the State to utilize a 5-day public comment period for any amendments to the Consolidated Plan as it relates to CARES Act funding.

Expected Resources:

As part of the CARES Act the State of New Jersey will receive the following:

- Community Development Block Grant funds totaling \$4,026,075 (first allocation) and \$31,587,994 (second allocation)
- Emergency Solutions Grant funds totaling \$11,453,383 (first allocation) and \$27,263,010 (second allocation)
- Housing Opportunities for Persons with AIDS totaling \$238,769

Posting of Substantial Amendment:

The draft substantial amendment for the Emergency Solutions Grant second allocation was posted on the Department of Community Affairs' Division of Housing and Community Resources website at <https://nj.gov/dca/divisions/dhcr/> on June 11, 2020.

Emergency Solutions Grant Program (ESG):

Second Allocation: \$27,263,010

- Administration: \$2,726,301
- Program: \$24,536,709

Proposed Activities:

ESG funds will be used to mitigate the impacts of the COVID-19 pandemic by providing the following:

1. Renovation of licensed emergency shelters and transitional housing facilities to allow for social distancing, improved ventilation, improved hygiene etc. to safely house homeless households during a pandemic.

The State will allocate \$5 million to this initiative. The funds will be awarded through a Request for Proposals (RFP). The RFP will be posted on the Department of Community Affairs' SAGE system (<https://dcasage.intelligrants.com/Portal.asp>) as a component of the State's FY 2021 Shelter Support Program RFP. The maximum award for the Shelter Support Program is \$500,000 per applicant.

2. Temporary rental assistance and stabilization services to assist homeless individuals and families living in emergency shelters or motels, with incomes up to 50% or less of AMI, obtain permanent housing. Preference will be provided to extremely low-income households with incomes up to 30% of AMI.

The State will allocate \$19,536,709 to rapidly re-house 900 homeless households. The assistance will consist of the following:

- Application fees
- Security deposit (up to 1 ½ months)
- Utility deposits for gas and electric
- Housing search and placement assistance
- Moving cost assistance
- Up to 12 months of rental assistance
- Case management
- Budget and credit review

The case management, housing search and placement and financial planning will be conducted by existing DCA Homelessness Prevention and Rapid Re-Housing (HPRP) grantees. These grantees will be required to track all households assisted in HMIS.

Selection of Households:

Households will be selected by the Department of Community Affairs (DCA) through the Coordinated Entry process in each county's Homeless Management Information System. Households who are homeless but who, with up to 12 months of rental assistance and case management, may be able to sustain themselves will be identified. All household data including racial composition will be considered.

Process:

1. DCA will identify potential participants through the Coordinated Entry process in each county's Homeless Management Information System.
2. Identified households will be asked to complete an application packet and return to DCA for eligibility review.
3. All applicants deemed eligible will be assigned to a HPRP case manager who will assess the household's needs and develop a plan to obtain and maintain housing. This assessment will include a review of the participant's monthly expenses and credit history.
4. Once a unit is secured, DCA will provide a monthly subsidy directly to the program participants' landlords.
5. Each participant will be reassessed at the six-month interval to determine if they are still in need of assistance; if so, assistance will be extended for up to an additional six months.
6. All participants will be required to apply to the Low-Income Home Energy Assistance Program (LIHEAP) and the Supplemental Nutrition Assistance Program (SNAP) and will be encouraged to apply to all open rental assistance waiting lists.

ESG Program Budget:

ESG CARES Budget	
Total Allocation	\$27,263,010
Program	\$24,536,709
<i>1. Emergency shelter and transitional housing renovations to address pandemics</i>	<i>\$5,000,000</i>
<i>2. Temporary Rental Assistance</i>	<i>\$19,536,709</i>
Security Deposit (\$2,550 assumes a contract rent of \$1,700/month)	\$2,295,000
Utility Deposits (assumes \$500 per household)	\$450,000
Rental application fees (\$50 per household)	\$45,000
12 months of rental assistance (assumes \$1,500 per month subsidy)	\$16,200,000
Moving cost assistance (\$600/household)	\$540,000
Miscellaneous (utility payments)	\$6,709
Total	\$19,536,709
Administration	\$2,726,301
HPRP Grantees \$2,200 per household (case management, housing search, budget and credit review and data collection)	\$1,980,000
DCA Admin	\$746,301