

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 32

NON-SUBSTANTIAL AMENDMENT

- **Transferring Funds to the Rental Assistance Program**
- **Acknowledgement of Extension Approval for Expenditure Deadlines**

DATE SUBMITTED TO HUD: July 16, 2019

DATE APPROVED BY HUD: July 18, 2019

Philip D. Murphy
Governor

Lt. Governor Sheila Y. Oliver
Commissioner



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

I. Overview

Through this Amendment, the State proposes to transfer \$832,741 in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds to the Rental Assistance Program.

Additionally, the State acknowledges approval of the expenditure deadlines for all CDBG-DR disaster-recovery programs.

II. Action Plan Modification

A. Transfer of Funds to the Rental Assistance Program

Table 1: Transfer of Funds to the RREM Program			
Approved New Jersey Action Plan Program	Activity Previous Allocation	Amount of Transfer	Activity Revised Allocation
Resettlement Program	\$203,641,517	(-)\$568,364	\$203,073,153
Neighborhood Enhancement Program	\$36,019,901	(-)\$221,505	\$35,798,396
Tenant-Based Rental Assistance Program	\$27,362,249	(-)\$42,872	\$27,319,377
Rental Assistance Program	\$15,500,000	(+)\$832,741	\$16,332,741

The Rental Assistance Program (RAP), administered by the Housing and Mortgage Finance Agency (HMFA), offers RREM and LMI Program applicants up to \$1,300 per month of rental assistance for up to forty months.

The State allocated \$12.5 million in CDBG-DR funds to RAP in Amendment 18. Concurrently, the State requested and received a [waiver](#) from HUD allowing the State to use up to \$30 million of CDBG-DR funds “to provide up to 21-months of RAP assistance to eligible RREM and LMI program applicants.” An additional \$3 million was transferred to the program in Amendment 27, for a total allocation of \$15.5 million.

The State recently received a [waiver](#) from HUD to allow homeowners an additional nineteen months of rental assistance, for a total of forty months of assistance. RAP is currently forecasting a deficit to meet the needs of existing applicants based on the most recent extension. Therefore, a reallocation of \$832,741 to RAP is necessary to afford homeowners the opportunity to apply for and draw down upon new Supplemental Funds over the course of the 2019 and 2020 building seasons.

Importantly, this proposed funding transfer to RAP does not affect any existing commitment of program funds to any individual, business, community or project.

1. Transfer of Funds from the Resettlement Program

DCA has completed monitoring the Resettlement Program's three-year residency requirement and has served all eligible applicants. Therefore, the State has concluded that transferring \$568,364 will not impact DCA's ability to close the program.

2. Transfer of Funds from the Neighborhood Enhancement Program

The final application period for NEP closed on June 26, 2015. Even after serving all eligible NEP applicants, there remains \$221,505 in available funding, which will be transferred to address the unmet need in the Rental Assistance Program.

3. Transfer of Funds from the Tenant-Based Rental Assistance Program

The Tenant-Based Rental Assistance (TBRA) Program provided temporary rental assistance to low- to moderate-income (LMI) residents. Per HUD requirements, all subsidies ended December 31, 2018. The program has successfully transitioned many remaining applicants to existing State rental assistance programs. Thus, the State will transfer the remaining \$42,872 to address the unmet need in the Rental Assistance Program. The State has concluded that transferring these funds will not impact DCA's ability to close out the program.

B. Acknowledgement of Extension Approval

The State amends its Action Plan to extend the disbursement deadline for all funds in Round 5 to September 30, 2022.

Under the [Disaster Relief Appropriations Act of 2013](#), the Department of Housing and Urban Development (HUD) awarded \$4,174,429,000 to the State of New Jersey. The Act stipulates that all funds must be obligated by September 30, 2017 and that grantees must expend funds within 24 months of the date funds are obligated. Funds were obligated in five rounds.

Section 904(c) of the Appropriations Act authorizes the Office of Management and Budget (OMB) to grant waivers of the 24-month expenditure deadline. On May 11, 2015, HUD published a *Federal Register* Notice ([80 FR 26942](#)) outlining the criteria for submitting extension requests. According to the Notice, OMB authorized HUD to provide CDBG-DR grantees with extensions for activities "inherently long-term and where it would be impracticable to expend funds within the 24-month period and still achieve program missions." These activities included Housing, Public Facilities and Improvements, Economic Revitalization, and Grant Administration, but did not include Planning and Public Services activities. HUD approved an extended disbursement deadline of September 30, 2022 for \$777,858,047.50 of eligible activities in Round 5 of the obligation.

On February 19, 2019, HUD published a *Federal Register* Notice ([84 FR 4836](#)) expanding the activities eligible for extension to include Planning and Public Services. The State of New Jersey submitted a CDBG-DR Expenditure Deadline Extension Request on February 28, 2019 as required by the Notice. On June 5, 2019, HUD notified the State that it had approved the

extension of the disbursement deadline for an additional \$5,795,471.92 in the Housing, Planning, and Public Services categories. Therefore, the new disbursement deadline for all remaining funds is September 30, 2022.