

STATE OF NEW JERSEY • DEPARTMENT OF COMMUNITY AFFAIRS

SUBJECT: Policy Clarification – Exemption from State Prevailing Wage Requirement for New Jersey Housing Mortgage Finance Authority

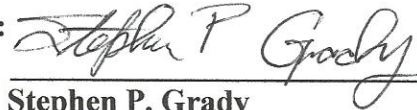
NUMBER:

EFFECTIVE: August 22, 2013
REVISED:

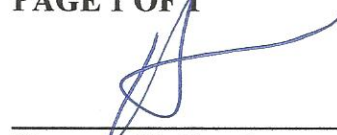
SANDY CDBG-DR

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APPROVAL:



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Background:

The Labor Standards policy (Davis Bacon) adopted by the Department of Community Affairs for programs funded with CDBG-DR funds states that where both Davis Bacon and State prevailing wage rates apply the higher rates are to be used. In most instances this will be the state prevailing wage rate.

The Housing Mortgage Finance Authority's formative statute states (N.J.S.A. 55:14k-42):

“Where HMFA is implementing a federal program they should use the federal rate.”

Policy Clarification:

After review, both the New Jersey Department of Community Affairs and the New Jersey Department of Labor concur and confirm that:

The state statute (N.J.S.A. 55:14K-42) specifically states Davis Bacon rates apply, “when the loan from the agency is the subject of direct or indirect federal assistance.”

This is the exception to that general rule pursuant to the statute. NJHMFA should use the Davis Bacon prevailing wage rates for projects funded with CDBG-DR funds.