

OLS Discussion Points
Wednesday, April 15th
Time of event: 2:00 p.m.
Senate Committee Room 4

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY09 and \$2.220 billion in FY10) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in either FY 2009, FY 2010 or both.

Question: Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

DIVISION OF HOUSING & COMMUNITY RESOURCES

Neighborhood Stabilization Program (NSP) (HUD):

Considered Phase 1 of the federal economic stimulus initiative under the Housing and Economic Recovery Act of 2008.

The Neighborhood Stabilization Program (NSP) provides funding to reduce neighborhood blight and create more affordable housing. The funds can be used to purchase, rehabilitate, resell or rent foreclosed and abandoned properties. Funds can also be used to establish financing mechanisms, establish land banks, demolish blighted structures and redevelop demolished or vacant properties.

Allocation: \$51,470,620; Administrative funds: \$3,860,296
(For more detailed information on NSP, please refer to question 13)

Community Service Block Grant (CSBG) (DHHS):

The funds provide a range of services and activities to assist the needs of low-income individuals including the homeless, migrants and the elderly. Grantees must provide services and activities addressing employment, education, better use of available income, housing, nutrition, emergency services and/or health

Allocation: \$27.4 million; Administrative funds = None.

Weatherization Assistance Program (WAP) (DOE):

Provides income-qualified residents with services that reduce household energy use and costs by improving the energy efficiency of their homes while ensuring their health and safety.

Allocation: \$118.8 million;

Community Development Block Grant (CDBG) (HUD):

The Small Cities CDBG Program provides grants and loans for community development activities for persons of low and moderate income, prevent or eliminate slums and blight, and meet urgent community development needs for which no other resources are available. All projects and each activity must meet one of the above objectives. Funds may be used for public facilities, community revitalization, housing rehabilitation and innovative development leveraging private investments.

Allocation: \$1.945 million; Administrative funds to be determined

Homelessness Prevention & Rapid Rehousing (HUD):

The funds will provide short-term or medium term rental assistance, housing relocation and stabilization services for homelessness prevention and rapid re-housing including housing search, mediation or outreach to property owners, credit repair, security or utility deposits and moving cost assistance. Homelessness Prevention & Rapid Rehousing must go through an amendment process of the Consolidated Plan; and, be open to public comment for 12 days but no public hearing is required.

Allocation: \$10,221,710; Administrative \$511,086

The Tax Credit Assistance Program (TCAP) (HUD):

The Federal Tax Credit Assistance Program (TCAP) provides grant and/or soft funding for capital investment in Low Income Housing Tax Credit (LIHTC) projects for multi-family rental developments all across the state. The housing credit agencies in each state

shall distribute these funds competitively and according to their qualified allocation plan. Projects awarded low income housing tax credits in fiscal years 2007, 2008, or 2009 are eligible for funding, but housing credit agencies must give priority to projects that are expected to be completed by February 2012. Seventy-five percent of TCAP funds must be committed by February 2010, 75 percent must be expended by February 2011, and 100 percent of the funds must be expended by February 2012.

The New Jersey Housing and Mortgage Finance Agency (HMFA), as the Housing Credit allocating agency, intends to allocate TCAP funds in conjunction with its 2009 LIHTC awards. The TCAP funding will replace the subsidy funding traditionally provided through the DCA Neighborhood Balanced Housing Program. The Balanced Housing Program is not sufficient to fund these projects and the use of federal TCAP will fill the gap and provide the capital needed to construct these housing units. All TCAP funds will be awarded by September 2009, with projects starting construction a short time thereafter. HMFA estimates that the use of these funds together with the LIHTC will create approximately 2,000 units of affordable and workforce housing statewide.

Allocation: \$61,243,670.

Amount for allocation to local public and private recipients, respectively.

The actual amounts to be allocated to local public and private recipients have yet to be determined. Other than NSP, the stimulus programs must go through the public hearing process prior to the awarding of funds.

Please identify intended and actual recipients and the process by which the department determines recipients and funding awards.

Stimulus fund that will be awarded for the CSBG are considered non-discretionary and will likely be awarded to the organizations listed below. Weatherization Programs funds will be awarded to organizations presently receiving funding for weatherization, as well as any newly qualified groups. Note, that this Phase is not part of ARRA. Neighborhood Stabilization Program applications, however, remain under review and no final determinations have been made.

NSP Applicants in Process	
Applicants	Muni/County
Housing and Neighborhood Development Services	Asbury Park/Monmouth
Interfaith Neighbors, Inc.	Asbury Park/Monmouth
Atlantic City	Atlantic City/ Atlantic
Mercy Housing Inc	Atlantic City/Atlantic
Buena Vista Township	Buena Vista Twp/Atlantic
Burlington City	Burlington City/Burlington
Gloucester County	Camden City/Camden
Parkside Business & Community In Partnership, Inc.	Camden City/Camden
RPM Development LLC	Camden City/Camden
Saint Joseph's Carpenter Society	Camden City/Camden
Carteret Borough	Carteret Borough/Middlesex

Beacon.Org Inc.	Clementon/Camden
Don Pedro Development Corporation	East Orange/Essex
Heart of Camden	East Orange/Essex
SEED, Corp.	East Orange/Essex
East Orange City	Egg Harbor City/Atlantic
Egg Harbor City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Elizabeth City	Elizabeth/Union
Faith, Bricks & Mortar, Inc.	Gloucester County
Allies, Inc.	Hamilton Twp/Mercer
Brand New Day, Inc.	Irvington/Essex
Elizabeth City	Irvington/Essex
Interfaith Neighbors, Inc.	Jersey City/Hudson
Jersey City	Jersey City/Hudson
Lindenwold Borough	Lindenwold/Camden
Episcopal Community Development, Inc.	Newark/Essex
Jersey City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Newark City	Newark/Essex
Orange City Township	Orange/Essex
Passaic City	Passaic City/Passaic
Passaic City	Passaic City/Passaic
St. Paul's Community Development Corporation	Paterson/ Passaic
Paterson Habitat for Humanity	Paterson/Passaic
Phillipsburg Town	Phillipsburg/Warren
Triple C Housing, Inc.	Piscataway/Middlesex
Episcopal Community Development, Inc.	Plainfield/Union
Pleasantville Housing Authority	Pleasantville City/Atlantic
Domus Corporation	Rahway/Union
Roselle Borough	Roselle/Union
Ocean County	South Toms River/Ocean
Trenton City	Trenton/Mercer
Willingboro Township	Willingboro Twp/Burlington
Willingboro Township	Willingboro Twp/Burlington
Woodbine Borough	Woodbine Boro/Atlantic

CSBG Non-Discretionary Grantees (CAP Agencies)

Agency

Atlantic Human Resources, Inc.
 Bayonne Economic Opportunity Foundation
 Bergen County Community Action Partnership, Inc.
 Burlington County Community Action Program

Camden County Council on Economic Opportunity
 CATA - Farmworkers Support Committee
 Check-Mate, Inc.
 Essex County
 HOPES, Inc.
 Jersey City
 Mercer County
 New Jersey Association on Correction
 New Jersey Community Action Association, Inc.
 North Hudson Community Action Corporation
 NORWESCAP
 Ocean Community Economic Action Now, Inc.
 Passaic County
 Paterson Task Force for Community Action, Inc.
 Plainfield City
 Somerset Community Action Program Inc
 Tri-County Community Action Agency, Inc.
 Union County
 United Community Corporation
 United Passaic Organization, Inc.
 United Progress, Inc.

DOE Weatherization Grantees

Agency

Bayonne Economic Opportunity Foundation
 Bergen County Community Action Partnership, Inc.
 Burlington County Community Action Program
 Camden County Council on Economic Opportunity
 Cape Human Resources, Inc.
 Check-Mate, Inc.
 First Hopewell Multi-Purpose Community Center
 La Casa de Don Pedro, Inc.
 Mercer County
 Morris County Organization For Hispanic Affairs
 NORWESCAP
 Ocean Community Economic Action Now, Inc.
 Passaic County
 Paterson Task Force for Community Action, Inc.
 PROCEED, Inc.
 Puerto Rican Action Board, Inc.
 Puertorriquenos Asociados for Comm. Organization, Inc.
 Somerset Community Action Program Inc
 Tri-County Community Action Agency, Inc.
 United Passaic Organization, Inc.
 Urban League of Morris County

Timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients.

For Homelessness Prevention and Rapid Rehousing, we will file an action plan with HUD by May 15th. We expect to issue an RFP upon HUD approval of the plan and

anticipate announcing awards in September 2009. Recipients will have two years to expend.

Guidelines are not available for the new NSP*, CSBG and CDBG but are expected in April. The initial WAP application was submitted to the Department of Energy (DOE) on March 23, 2009; and the Comprehensive Application is due by May 12, 2009.

*ARRA provides for \$2 billion in NSP funding. This is separate from the NSP funding described in questions one and 13. The new NSP funding will be awarded competitively and we are awaiting guidelines.

Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount?

None of the ARRA funds will allow any offsetting of State appropriations within the Division.

What additional positions, if any, have been and will be hired with these funds?

The Department is in the process of requesting four additional full time employees (FTEs) to work on Phase 1 of the Neighborhood Stabilization Program. These positions are required by GAO in order to meet accountability standards. These positions have yet to be created and filled. Five additional monitoring positions will be needed to support WAP.

If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

ARRA activities will continue into FY 2011. Other than NSP, the stimulus programs augment existing programs administered under the Department. Note, however, that future NSP ARRA funds are competitive, thus DCA cannot be positive that we will obtain these funds.