



Governor Phil Murphy




photo: view of NJ Trenton DOM

ICYMI: Murphy Administration Announces Federal Approval of Action Plan to Distribute Hurricane Ida Recovery Funds

01/17/2023

State Will Allocate \$228 Million in Federal Community Development Block Grant Disaster Recovery Funds to Address Housing Needs, Resilient Infrastructure Projects, and Other Critical Recovery Initiatives

TRENTON, NJ – The Murphy Administration today announced the federal government’s approval of New Jersey’s plan to spend \$228 million of federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds to assist households and communities that were impacted by Hurricane Ida.  (<https://twitter.com/GovMurphy>)  (<https://www.facebook.com/governorphilmurphy>)

The approval of New Jersey’s Action Plan by the U.S. Department of Housing and Urban Development (HUD) will allow the State to restore Ida-damaged homes, provide rental assistance to people impacted by Hurricane Ida, support hardest hit and financially strained communities, buy out homes in communities vulnerable to repetitive flooding, and finance resilient infrastructure projects throughout New Jersey to protect the state from future storms. The New Jersey Department of Community Affairs (DCA), which houses the Division of Disaster Recovery and Mitigation, is the state agency responsible for administering the federal CDBG-DR funds.  (<https://www.youtube.com/njgovernorsoffice>)  (<https://www.instagram.com/govmurphy/>)  (<https://www.snapchat.com/add/philmurphy>)

“The State of New Jersey thanks HUD for its review and approval of our Ida Action Plan and for partnering with us in a collaborative working relationship as we continue recovering from Hurricane Ida,” said **Governor Phil Murphy**. “New Jersey’s communities are still dealing with the effects Hurricane Ida left behind. But with federal approval of our Action Plan, we will continue moving forward with the job of repairing from Ida and building more resilient communities, preparing us for the next storm.”

“There are still many people who are not fully back on their feet from Hurricane Ida,” said **Lt. Governor Sheila Oliver, who also serves as DCA Commissioner**. “With HUD’s approval of our Action Plan, we can put these disaster recovery funds to use to get families back into their homes as quickly as possible and find opportunities to help communities build back even stronger.”

As announced in November 2022, the State of New Jersey will also receive an additional \$149.2 million in CDBG-DR funds for Hurricane Ida recovery. Upon issuance of rules from HUD for use of these funds, DCA will draft an amendment to the Hurricane Ida Action Plan to specify how the \$149.2 million will be used and will post the amendment for public comment later this year.

In the HUD-approved plan for the \$228 million, at least 70 percent of these funds will benefit low- to moderate-income persons or households. To address New Jersey’s substantial housing recovery needs, the State will spend \$153 million to support Ida-impacted homeowners and renters. The Action Plan calls for:

- \$68.9 million for the **Homeowner Assistance and Recovery Program (HARP)**. HARP will provide grants to eligible homeowners for work necessary to restore their Ida-damaged homes, including rehabilitation, reconstruction, elevation, and/or mitigation activities such as utility retrofits, grading and slope stabilization, and drainage improvements. The maximum HARP grant assistance per applicant will be \$300,000 for a single-family home.
- \$30 million for **Smart Move**, which will subsidize the development of quality, energy-efficient, resilient, and affordable housing in lower flood risk areas within or near storm-impacted communities that are participating in Blue Acres or other residential property buyout programs. The program aims to provide safe housing to enable Ida-impacted residents to stay in or near their communities after selling their high-risk properties.
- \$20 million for the **Small Rental Repair Program**, which will provide zero-interest, forgivable loans to owners of rental properties with one to seven units that need to be rehabbed because of damage from Hurricane Ida. The program will restore or create additional affordable rental units in disaster-impacted areas. The properties must maintain rent affordability for a certain period of time after initial occupancy.
- \$16 million for the **Blue Acres Program**, which involves the voluntary buyout of residential properties located in floodways and floodplains to reduce the risk from future flooding. Buyout properties will be voluntarily sold to the NJ Department of Environmental Protection (DEP) for current fair market value and converted to open space, recreation, or wetlands. The program also may provide incentives to eligible homeowners to help them afford the costs related to relocating to a lower flood risk area.
- \$15 million for the **Tenant-Based Rental Assistance Program**, which will provide rental assistance to low-income households impacted by Hurricane Ida who rent, thereby making rental housing more affordable. The program will initially prioritize households with incomes at or below 30% of area median income (AMI).
- \$3 million for **Housing Counseling and Legal Services**, which is a collaboration of HUD-certified, nonprofit, community-based organizations and legal services providers that provide a wide range of supportive services such as foreclosure prevention, relocation services, debt management, assistance with application intake for CDBG-DR-funded programs, and legal advice and representation.

Recognizing that Hurricane Ida highlighted vulnerabilities in communities’ infrastructure systems, the State will invest \$58 million for infrastructure programs. The Action Plan calls for:

- \$54 million for the **Resilient Communities Program**. This competitive program will provide funding to local governments in those counties most impacted and distressed by Hurricane Ida for infrastructure projects that will help communities become more resilient to current and future natural hazards.
- \$4 million for **FEMA Non-Federal Cost Share**. This program will fund the non-federal cost share faced by state government and local governments that rehabilitate damaged public infrastructure systems and/or build new systems under FEMA’s Public Assistance program.

Finally, the State will encourage planning programs that advance efforts to mitigate future flooding:

- \$5 million for the **Resilient New Jersey Program**, which will make direct allocations to units comprised of local governments, regional teams, and consultant teams to support local and regional resilience planning. The program will build on the existing efforts of Resilient NJ, a climate resilience planning, guidance, and technical assistance program set up following Superstorm Sandy to support local and regional climate resilience planning.

- \$1 million to develop a **Statewide Housing Mitigation Strategy Tool** to assess the housing stock in disaster-impacted and at-risk areas, particularly low- to moderate-income communities. The State and local governments and partners will be able to use this tool to make informed development and floodplain management decisions and to target resources toward the greatest need.

New Jersey's Action Plan was developed in consultation with residents, county and municipal officials, nonprofit organizations, and other stakeholders in New Jersey, as well as with input DCA received from thousands of people who completed the Hurricane Ida Registration Survey ([https://urldefense.com/v3/_https://t.e2ma.net/click/raf2ui/fd1rrbm/33tut1__!J30X0ZrnC1oQtbA!Nhc1Yt-opnYEYjQuoT1AXLSK1FF-DPwtZuve_sKv0kjRfeJeyoKrV-kyawwOs2hb_ESIJG1X7IMCF0ASsnsTF8SFQ\\$](https://urldefense.com/v3/_https://t.e2ma.net/click/raf2ui/fd1rrbm/33tut1__!J30X0ZrnC1oQtbA!Nhc1Yt-opnYEYjQuoT1AXLSK1FF-DPwtZuve_sKv0kjRfeJeyoKrV-kyawwOs2hb_ESIJG1X7IMCF0ASsnsTF8SFQ$)).

People can read the Action Plan in English and Spanish on the DCA website at <https://www.nj.gov/dca/ddrm/home/Idaactionplan.shtml>. ([https://urldefense.com/v3/_https://t.e2ma.net/click/raf2ui/fd1rrbm/jwuut1__!J30X0ZrnC1oQtbA!Nhc1Yt-opnYEYjQuoT1AXLSK1FF-DPwtZuve_sKv0kjRfeJeyoKrV-kyawwOs2hb_ESIJG1X7IMCF0ASsnUrWACrY\\$](https://urldefense.com/v3/_https://t.e2ma.net/click/raf2ui/fd1rrbm/jwuut1__!J30X0ZrnC1oQtbA!Nhc1Yt-opnYEYjQuoT1AXLSK1FF-DPwtZuve_sKv0kjRfeJeyoKrV-kyawwOs2hb_ESIJG1X7IMCF0ASsnUrWACrY$))

DCA anticipates launching the Homeowner Assistance and Recovery Program (HARP), Tenant-Based Rental Assistance Program, Housing Counseling and Legal Services, and Small Rental Repair Program by March 2023. Other programs will launch in the coming months as well.

In addition to disaster recovery and mitigation, DCA offers a wide range of programs and services, including local government management and finance, affordable housing production, rental assistance, fire safety, building safety, and community planning and development.

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Governor Phil Murphy

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