

# Action Plan

**Grantee: Essex County, NJ**

**Grant: B-11-UN-34-0103**

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<b>LOCCS Authorized Amount:</b>	\$ 1,851,984.00
<b>Grant Award Amount:</b>	\$ 1,851,984.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 1,106,786.00
<b>Total Budget:</b>	\$ 2,958,770.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The grantee identified three neighborhoods of greatest need for NSP 3 in Essex County. The 2 neighborhoods with the highest priority to receive NSP 3 funds are number 1 & 2 below:

1. Central Orange Quad 1
2. Central Orange Quad 2

Bordered by RT. 508,  
S. Center St., Freeway Drive, S. Jefferson St.  
S. Center St., Central Ave., S. Harrison St., Rt. 280

DHCD will distribute NSP 3 funds for the following eligible activities:

1. Acquisition of abandoned and foreclosed properties
2. Redevelopment of acquired abandoned, vacant and foreclosed properties
3. Program delivery costs incurred by sub-recipients and reasonable developer's fees related to NSP 3-assisted housing rehabilitation or construction activities. All program delivery costs must be directly related to NSP 3 funded activities.
5. Sale of residential properties acquired or acquired/rehabilitated using NSP 3 funds
6. Rental of residential properties acquired or acquired/rehabilitated using NSP 3 funds

### How Fund Use Addresses Market Conditions:

The first step in the planning process was to analyze how the NSP 2 target areas compared with the NSP 3 Need Scores and the County's current foreclosure data. The two municipalities within the Essex County Consortium that received funding through NSP 2 were the City of Orange Township and the Township of Montclair. A review of these two municipalities



resulted in the finding that the City of Orange Township demonstrated the greatest need for NSP 3 funds. The City of Orange had previously received funding through NSP 1 and NSP 2. The additional resources derived from NSP 3 will further enhance the recovery of this municipality which was the hardest hit in the Essex County Consortium.

The neighborhood identified as being the areas of greatest need must have a minimum individual or average combined NSP3 need score of 16. The area of greatest need in the City of Orange Township was the neighborhood located in the Main St. vicinity with the borders being Park Ave., Jefferson St., Rte. 508 and S. Harrison St. This quadrangle consisted of an NSP 3 score of 19.12 and consisting of 5,822 housing units covering 4 census tracts. Since this target area has a very large number of total housing units relative to dollars available and necessary to make an impact in the neighborhood the Division sub-divided into four smaller quadrangles. The Division chose to allocate resources in the areas located in the Central Orange Neighborhoods in Quadrangle 1 and Quadrangle 2.

The first neighborhood named Central Orange Quadrangle 1 is bordered by Rte. 508, S. Center St., Freeway Drive and S. Jefferson St. with a need score of 19.85. The neighborhood has an estimated 30 vacant addresses with 31 foreclosure starts in the past year. The neighborhood also had 5 REO properties from July 2009 to June 2010. The minimum of 7 properties that would be required to make the intended visible impact is achievable. 91.18% of persons in this neighborhood are below 120% of Area Median Income.

The second neighborhood named Central Orange Quadrangle 2 is bordered by S. Center St., Central Ave., S. Harrison St. and Rte. 280 with a need score of 19.26. The neighborhood has an estimated 28 vacant addresses with 23 foreclosure starts in the past year. The neighborhood also had 4 REO properties from July 2009 to June 2010. The minimum of 5 properties that would be required to make the intended visible impact is achievable. 91.82% of persons in this neighborhood are below 120% of Area Median Income. This area is anchored by Orange Park on its south side.

The Third neighborhood named Central Orange Quadrangle 3 is bordered by Park Ave., Glenwood Ave., Main St. and S. Day St into N. Day St. with a need score of 18.65. The neighborhood has an estimated 29 vacant addresses with 38 foreclosure starts in the past year. The neighborhood also had 7 REO properties from July 2009 to June 2010. The minimum of 7 properties that would be required to make the intended visible impact is achievable. 87.81% of persons in this neighborhood are below 120% of Area Median Income.

### **Ensuring Continued Affordability:**

Requirements similar to the HOME Program's resale/recapture provisions will be used to assure continued affordability. A resale restriction is attached to the home through a restriction in the deed that requires that any subsequent sale be to a qualified low income family that will use the property as its principal residence for the period of affordability. The restriction will have a term of 20 years for new construction and 15 years for rehabilitation. Affordability controls will be determined by the activity funded. Long-term affordability requirements for single-family acquisition activities will require recapture mechanisms to be enforced by a mortgage lien instrument. Rental housing development activities will require long-term controls no less than 15 years. Lien instruments in the form of both mortgage and deed restrictions will enforce affordability controls. The satisfaction of the period of affordability will require the property be sold for another eligible use or will be recaptured. Single Family Housing Development – RECAPTURE triggered when the house is sold, title is transferred or is no longer used as a primary residence  
Rental Housing Development – RESALE and/or RECAPTURE for a minimum of 15 years.

### **Definition of Blighted Structure:**

A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety and public welfare. This definition shall include any commercial or residential premise or any other structure which, because of fire, natural disaster, age or physical deterioration is vacant, hazardous or no longer habitable as a dwelling, or unsafe and unfit for human occupancy, nor useful for the purpose for which it was intended. Further, the structure must be lacking in normal upkeep and maintenance, and the property owner must be failing to pursue normal maintenance of the structure or failing to actively remedy the current situation which prohibits occupancy of the structure.

### **Definition of Affordable Rents:**

Rents in all NSP 3-assisted units must be set at "affordable rents," which is defined as follows:  
Low HOME Rents Limits: Tenant households with Income less than or equal to 50% of the AMI.  
Lesser of High HOME Rents or Fair Market Rent: Tenant households with incomes greater than 50% but less than or equal to 120% of the AMI.  
The rent limits and area median income incomes are recalculated on an annual basis by HUD. The County has adopted and sub-recipients and for-profit developers must conform their projects to the HOME program affordability standards at 24 CFR 92.252(a), (b), (c), (e) and (f). These standards represent the minimum affordability standards and any other standards are subject to the review and approval of the DHCD.

### **Housing Rehabilitation/New Construction Standards:**

All units rehabilitated with NSP funds shall meet the Uniform Construction Rehabilitation Sub-code (N.J.A.C. 5:23-6.) Written guidelines for rehabilitation work that will bring substandard housing into compliance with the local code and safety standards post rehab provide a common basis for contractor bids. By holding all contractors to a single rehabilitation standard, consistent, high quality rehabilitation work is assured. In addition to the Essex County Housing & Community Development requirements, NSP assisted rehabilitation projects are subject to the following administrative and funding source regulations, where applicable:  
• Local Zoning Ordinances



- New Jersey State Building Codes
- New Jersey Electrical Code
- New Jersey Plumbing and Heating Code
- New Jersey Fire Code
- New Jersey Sanitary Code
- HUD Rehabilitation Guidelines
- HUD Section 8 Housing Quality Standards
- Americans with Disabilities Act
- Section 504 and Fair Housing Act

Written rehabilitation standards are required and the property owner or developer must establish a set of general specifications providing contractors detailed guidance in completing an NSP assisted project that is in compliance with the afore-mentioned regulations. A copy of the project's specifications is to be submitted to the contract administrator for compliance review and filing.

NSP projects must also comply with all other local, state and federal requirements including zoning, historic preservation, sewage/septic systems, and environmental protection, where applicable.

At a minimum, assisted projects must correct all deficiencies in accordance with applicable state, county, city and/or local rehabilitation standards. This includes completing additions to the property, if necessary, to meet rehabilitation standards or to meet minimum living space requirements for current or planned occupants.

For all substantial rehabilitation projects assisted with NSP funds, if the unit of local government has not adopted a standard building code applicants will be required to adopt the National Building Code (BOCA), or its equivalent. In addition, where feasible, Energy Star certification and Energy Star Indoor Air Quality certification will be required of all units rehabilitated with NSP funds.

**Vicinity Hiring:**

The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

**Procedures for Preferences for Affordable Rental Dev.:**

**Grantee Contact Information:**

Essex County Division of Housing & Community Development  
 20 Crestmont Road  
 Verona NJ 07044  
 973-655-0200

**Project Summary**

Project #	Project Title	Grantee Activity #	Activity Title
001	RPM Development, LLC	001	RPM Central Orange Village II
002	Orange Housing Development	002	East Ward Redevelopment Phase I
003	Planning & Administration	003	Planning & Administration
9999	Restricted Balance	<i>No activities in this project</i>	



# Activities

**Project # / 001 / RPM Development, LLC**

**Grantee Activity Number: 001**  
**Activity Title: RPM Central Orange Village II**

**Activity Type:**  
 Construction of new housing

**Project Number:**  
 001

**Projected Start Date:**  
 11/15/2011

**Project Draw Block by HUD:**  
 Not Blocked

**Activity Draw Block by HUD:**  
 Not Blocked

**Block Drawdown By Grantee:**  
 Not Blocked

**National Objective:**  
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

**Benefit Report Type:**  
 Direct (Households)

**Activity Status:**  
 Completed

**Project Title:**  
 RPM Development, LLC

**Projected End Date:**  
 12/31/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,106,786.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 1,106,786.00

**Proposed Beneficiaries**

# Renter Households  
 # of Households

Total	Low	Mod	Low/Mod%
46			0.00
46			0.00

**Proposed Accomplishments**

# of Multifamily Units  
 # of Housing Units  
 #Units with bus/rail access

Total
46
46
46



**Activity is being carried out by**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

RPM Development, LLC

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

RPM Development, LLC

**Organization Type**

For Profit

**Proposed Budget**

\$ 1,106,786.00

**Location Description:**

This activity is scattered site redevelopment in the City of Orange. The Following addresses will be redeveloped:  
35 Berwyn Street, 43 Berwyn Street,47 Berwyn Street,310 Mechanic Street,152 Pierson Street ,166 Pierson Street,124-130  
South Essex Avenue

**Activity Description:**

The scattered site developments will consist of new construction and associated soft costs. The disbursement for each property will be broken down in the loan agreement. Upon completion the 28 units will be rented to households with incomes at or below 50% of area median income which will be designated as fixed units.

**Environmental Assessment:** COMPLETED

**Environmental** None

**Project # / 002 / Orange Housing Development Corp.**

**Grantee Activity Number:** 002  
**Activity Title:** East Ward Redevelopment Phase I

**Activity Type:**  
Rehabilitation/reconstruction of residential structures

**Activity Status:**  
Completed

**Project Number:**  
002

**Project Title:**  
Orange Housing Development Corp.

**Projected Start Date:**  
11/15/2011

**Projected End Date:**  
12/31/2013

**Project Draw Block by HUD:**

**Project Draw Block Date by HUD:**



Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 560,000.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 560,000.00

**Benefit Report Type:**

Direct (Households)

**Proposed Beneficiaries**

# Renter Households

	Total	Low	Mod	Low/Mod%
# Renter Households	7	7		100.00
# of Households	7	7		100.00

# of Households

**Proposed Accomplishments**

# of Singlefamily Units

**Total**

7

# of Housing Units

7

# of Properties

7

**Activity is being carried out by**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Orange Housing Development Corporation

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Orange Housing Development Corporation

**Organization Type**

Non-Profit

**Proposed Budget**

\$ 560,000.00

**Location Description:**

**Activity Description:**

**Environmental Assessment:** COMPLETED



Environmental

None

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**Project # / 003 / Planning & Administration**

**Grantee Activity Number:** 003  
**Activity Title:** Planning & Administration

**Activity Type:**

Administration

**Project Number:**

003

**Projected Start Date:**

03/16/2011

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Benefit Report Type:**

NA

**Activity Status:**

Completed

**Project Title:**

Planning & Administration

**Projected End Date:**

03/16/2014

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 185,198.00

**Most Impacted and Distressed Budget:** \$ 0.00

**Other Funds:** \$ 0.00

**Total Funds:** \$ 185,198.00



**Activity is being carried out by**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

County of Essex

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

County of Essex

**Organization Type**

Local Government

**Proposed Budget**

\$ 185,198.00

**Location Description:**

**Activity Description:**

**Environmental Assessment:** EXEMPT

**Environmental** None

**Action Plan Comments:**

**Action Plan History**

**Version**

B-11-UN-34-0103 AP#1

B-11-UN-34-0103 AP#2

B-11-UN-34-0103 AP#3

**Date**

11/03/2011

12/09/2014

02/12/2020

