

Smart Move Program (Phase I) Frequently Asked Questions (FAQs)

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Disclaimer

FAQs are written to reflect all published policies and application materials accurately and consistently. If any FAQ below does not completely comport with the Phase I Policy Manual, NOFA, or Application Materials, the Policy Manual, NOFA, and Application Materials govern any decision. Please read all published guidance at the [Smart Move Program](#) website and carefully follow all federal, state, and local requirements.

Smart Move Overview

1. What is the Smart Move Program?

The Smart Move Program (Phase I) is a pilot initiative from the Department of Community Affairs (DCA) that will subsidize the development of quality, energy-efficient, resilient, and affordable single-family, owner-occupied housing in lower-risk areas within or near communities impacted by disasters, prioritizing housing for those participating in Blue Acres or other buyout programs.

Phase II of the Smart Move Program will provide financial assistance to relocating residents who sell their high-risk properties through the Blue Acres Buyout Program or first-time homebuyers.

2. What is the State's funding source for the Smart Move Program?

Funding for Smart Move is provided through HUD's CDBG-DR Program. CDBG-DR grants are authorized under Title I of the Housing and Community Development Act of 1974 (HCDA) for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster.

Eligible Applicants

3. Are any local governments within the listed counties eligible?

Yes. The U.S Department of Housing and Urban Development ("HUD") (87 FR 31636) and DCA identified the following counties as Most Impacted and Distressed ("MID") areas. HUD requires the State to use funds to address needs that remain after all other forms of assistance have been exhausted. Projects proposed by eligible entities, including any Unit of General Local Government ("UGLG") within the following counties are eligible for Smart Move funding.

- Bergen
- Essex
- Hudson
- Middlesex
- Passaic
- Somerset
- Union
- Gloucester
- Hunterdon
- Mercer
- Morris
- Warren

4. Can a developer or nonprofit organization apply for funding from the program?

No. Developers and non-profit organizations cannot apply directly for funding from Smart Move. They must partner with the UGLG in the area of the proposed project to submit an application. The UGLG will be a subrecipient of the State and responsible for administration and oversight of the proposed project.

Developers can be either for-profit or non-profit and will partner with the UGLG on an eligible project through a development agreement. The developer will control the site and retain ownership of the project while managing the development process, including predevelopment, construction, and disposition/sale of completed units, and manage the development team comprising various professionals.

Eligible Activities and Costs

5. What activities are eligible under Smart Move Phase I?

Smart Move will subsidize the development of quality, energy-efficient, resilient, and affordable

single-family, **owner-occupied** housing in lower risk areas within or near MID areas that are participating in Blue Acres or buyout programs funded by other sources. The following project activities are eligible for the program:

- New construction of for sale housing units and related public infrastructure
- Infill and scattered site development of new construction housing units
- Adaptive reuse or conversion of non-residential structures to affordable homeownership housing

Preservation of exiting housing and rental housing development are not eligible for the program.

6. What costs are eligible under Smart Move?

Phase I of the Program provides funding for nearly all components of a housing development, including acquisition, construction hard and soft costs, and fees. Examples of eligible costs for which Smart Move funds may be used include, but are not limited to:

- Land acquisition (up to 50% of cost)
- Clearance/Demolition
- Project Soft Costs such as architecture, engineering, and consulting fees
- Hard Construction Costs, including site development.
- Financing Fees
- Developer Fees
- Down Payment Assistance to Homebuyers
- UGLG Program Delivery Costs
- Any costs that are eligible and reasonably necessary to develop and sell the housing units.

All costs must result in a completed project that provides affordable homeownership units that meet a HUD National Objective.

7. What are some examples of ineligible activities under the Program?

Activities not tied to an identified disaster-related impact, restricted by legislation, ineligible under CDBG-DR requirements without an appropriate waiver, not identified as eligible in the approved State Action Plan, located in a floodplain, failing to meet a national objective, or are illegal are ineligible for CDBG-DR funds through the Program.

Project Scope

8. Can more than one project in a MID area be awarded? Can one developer partner with multiple communities?

Yes, more than one project can be awarded in a MID area, however, a UGLG can only receive one award. A single developer can partner with multiple UGLGs on individual projects.

9. What is the maximum award from the Program?

The maximum award available through the Program is \$15 million per project. Please note that this award cap is not a limit on the total project cost. Applicants are expected to secure other financing sources for the total development cost.

Resilient/Innovative Design

10. What are examples of resilient design?

Resilient construction solutions are designs and materials that can harden and protect residential structures from hazards, leaving households and communities more resilient and prepared for future

climate events. Examples include:

- Solar power generation and storage
- Green roofs
- On-site stormwater management
- Durable and storm-resistant exterior building materials
- Resilient infrastructure

11. What are examples of innovative design?

Projects are innovative if they incorporate one or more construction solutions designed to demonstrate new, innovative, creative solutions to the complex problems surrounding durable, affordable housing. Examples include:

- Structural 3-D printed homes
- Geothermal heating
- Electrochromic smart glass
- Modular/prefabricated construction
- Storage container housing

Community Need and HUD's Low to Moderate Income (LMI) National Objective

12. How do applicants demonstrate community need?

The proposed mix of housing unit types, sizes, and income levels should respond to specific, unmet needs of the community. Applications must include a market analysis evaluating various aspects of the market conditions affecting the development such as economic conditions, housing supply and demand, rental rates (which could have a bearing on the resale market), market trends such as pricing, existing resale inventory, and absorption rates and other factors that may impact the proposed project. Communities may also show a loss of housing units due to the disaster or local participation in buyout programs.

13. How does a project meet the LMI National Objective?

Upon completion, 70% of the total units in each project developed with Smart Move funding must be sold to households at or below 80% of the Area Median Income ("AMI"). The program will also fund, at a lesser amount, units to be sold to households whose incomes are greater than 80% but not exceeding 120% of the AMI.

While the program will not fund the development costs of individual market rate units, Smart Move will cover up to 100% of the eligible costs to develop the standard, green, and resilient infrastructure directly benefiting the development provided that 51% of the households supported by the infrastructure meet the LMI national objective.

Labor Standards

14. What labor standards must be followed?

The subrecipient will be responsible for ensuring compliance with all required labor standards, including:

- **Davis-Bacon Labor Standards:** Required for projects proposing eight (8) or more housing units and/or the construction of any public infrastructure over \$2,000.
- **Section 3:** Requires that economic opportunities generated by CDBG-DR funds be targeted toward Section 3 residents, defined as eligible residents are low- and very low- income persons, particularly those who live or reside in public, or government assisted housing.

- **Contract Work Hours and Safety Standards Act:** Applies to contracts over \$100,000 and requires that workers receive overtime compensation.

Project Timeline

15. Can we request funding for a project that has already begun construction?

No. Smart Move cannot fund projects that have begun construction or initiated any choice-limiting actions as defined [at 24 CFR 58.22](#).

16. Is a local match required from the UGLG?

Although there is no match requirement for Smart Move, the Program will provide preference through the scoring criteria for applications that include financial and non-financial partnerships. Applicants should develop a feasible budget with multiple sources, including Smart Move funds. Preliminary commitments of funding sources should be documented and included within the application.

Applicants are reminded that [Section 312 of the Stafford Act](#) prohibits grantees from receiving duplicative financial assistance for the same disaster recovery purpose from multiple sources of federal and other support. Funds from Smart Move should be used to supplement, not supplant funding from other sources available for the proposed project.

Application Requirements

17. When filling out the application form, must we limit the length of our responses to the size of the text box for each question or can we attach additional text if we would like to add more information?

Responses within the application and supporting documents are limited in length by the document. Any text or attachments beyond those explicitly described in the instructions will not be considered. These limitations are imposed to ensure timely and efficient review of applications and to ensure each applicant receives fair treatment in evaluating their proposal.

Citizen Participation Requirements

18. What are the public notice requirements?

Before submitting the application, applicants must receive public input on their application at an in-person or virtual hearing and allow for a 14-day public comment period. See Section 6, Public Notice Requirement of the [NOFA](#) for detailed hearing requirements.

Duplication of Benefits

19. Can we apply for other State or local funding programs if we are awarded funds from Smart Move?

Yes, applicants may seek other government funding for the project. DCA will conduct a subsidy layering review to ensure the amount provided is not more than necessary to ensure the project's feasibility. Disaster-related assistance is NOT considered duplicative when multiple sources contribute to the same need, but the total assistance must not exceed the total need.

Additional Questions

20. If I have questions about the application, who should I ask?

We request that all questions be submitted to SmartMove@dca.nj.gov so that we can prepare responses in writing and ensure they are posted in the FAQs section of the [DCA website](#).