



Second Annual Action Plan

The CPMP Annual Action Plan includes the SF 424 and Narrative Responses to Action Plan questions that CDBG, HOME, HOPWA, and ESG grantees must respond to each year in order to be compliant with the Consolidated Planning Regulations.

Narrative Responses

ACTION PLAN

Executive Summary 91.220(b)

1. The Executive Summary is required. Include the objectives and outcomes identified in the plan and an evaluation of past performance.

On behalf of the Somerset County Board of Chosen Freeholders and the Department of Human Services, the Community Development Office is pleased to present the 2011 Action Plan, which details the proposed uses of Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME) funds in Somerset County. The plan also highlights the County's collective effort to improve the quality of life for residents of Somerset County, with special attention to programs and services for those who have special needs.

The Somerset County Department of Human Services, along with the Board of Social Services and the Comprehensive Emergency Assistance Services (CEAS) Committee continue to work toward providing services to those that are either homeless or imminently homeless. New funding from the County Homelessness Trust Fund (HTF) is also now available to support this effort. In response to HUD's initiative to end chronic homelessness within ten years, the Board of Chosen Freeholders adopted a Ten-Year Plan to End Chronic Homelessness in 2005. The plan reflects a multi-pronged approach that has as its main goals the development and implementation of a systematic approach to collect qualitative and quantitative data and identify needs/gaps in services for the homeless, the improvement of county-wide coordination at all levels of service delivery for the homeless, the expansion of opportunities that lead to permanent housing for the homeless and increased knowledge, linkage, and usage of mainstream services. Inter-agency cooperation and collaboration are vital to this effort and under the compassionate leadership of the Board of Chosen Freeholders, as well as the County's Department of Human Services, this task is within reach. According the 2011 Point in Time Survey (conducted in January, 2011), the county has twenty chronically homeless individuals. This is a sharp increase from the 8 individuals who were counted in the 2010 Survey and may be a result of several factors, including continuing poor economic conditions and the addition of another surveying site.

Now that the Statewide Homeless Management Information System (HMIS) Collaborative has selected the AWARDS Software Package to meet HUD's mandate to implement a HMIS, two subgrantee recipients are using the system to manage their data collection and case management processes. The Somerset County Board of Social Services also uses the program to collect data on clients of the Social Services for the Homeless (SSH) and Homeless Prevention Rapid Re-Housing (HPRP) Programs.

Somerset County has a vibrant non-profit community that continues to provide the highest level of services to its residents. This year, CDBG funds will be used to provide counseling and other supportive services to seniors, the homeless and abused spouses and children as well as provide employment training and job coach services to veterans and recreation and life skills programming to youth. CDBG funds will also be used to complete sewer rehabilitation and sidewalk rehabilitation projects in four communities throughout the County, to improve handicapped accessibility and perform other improvements at numerous community buildings, and for the County housing rehabilitation program.

HOME funds will support new construction, substantial rehabilitation and down payment assistance. In addition, the Board of Chosen Freeholders will continue to provide additional services through the Non-Profit Purchase of Service. Guidelines for the Homelessness Trust Fund, enacted by the Board of Chosen Freeholders in April of 2010, were set up and the Fund is currently being used to provide rental assistance and case management services to those who qualify. Community Development, in partnership with the County Board of Social Services, has been administering the Homeless Prevention Rapid Re-Housing Program. The program has been phased out, due to a lack of funds being available, but has served sixteen clients in 2011, mainly through providing emergency rental assistance and security deposits.

Alternatives/ADTI will use PY2011 HOME funds to make improvements to a detached-single family home that provides permanent supportive housing to three mental health consumers. The Center for Great Expectations will use PY2011 HOME funds to build a 6,000 square foot residential-style building to provide transitional housing for homeless, pregnant/parenting adolescents and their children. Community Hope will use HOME funds toward the acquisition of a two-family home that will provide permanent, supportive housing for four special needs individuals. The Central Jersey Housing Resource Center (formerly known as the Somerset County Coalition on Affordable Housing) will continue utilizing down payment funds from the previous year to provide down payment assistance to at least fifteen first time homebuyers. A new down payment assistance program, run by the County Community Development office, has also been established. The goal of this program would be to provide a grant to income-eligible renters who are unable to save for a home because their housing costs are so high. Though they are mortgageable, these households would not qualify for the traditional downpayment assistance grant. This grant requires the applicant to have a unit that is under contract and out of attorney review in order to be considered.

The County has several processes in place to evaluate its performance toward meeting the goals and objectives outlined in the 2011 Action Plan. First,

there is the formal evaluative process that is integral to the preparation and submission of the Consolidated Annual Performance Evaluation Report. In addition, CD staff use IDIS reports which detail the use of program income, status of projects, and the amount of funds drawn to evaluate performance. Moreover, CD staff has found that IDIS reports which summarize beneficiary data are extremely helpful to identify the number of people that are being served and, by extension, determining the level at which the County is meeting its goals and objectives. Finally, there are other indicators, including the number of open CDBG and HOME projects, the County's Timely Spending Ratio, and the productivity of the County's Housing Rehabilitation programs, which are useful measures of the County's performance toward meeting goals and objectives outlined in the 2011 Action Plan.

Demographic Profile

Somerset County is located in Central New Jersey, with close proximity to both New York City and Philadelphia. Its 305 square miles are a mix of suburban, urban and rural areas. There are major highways (Interstates 78 and 287 and Routes 202, 206, 22, 27 and 28) and mass transit options through NJ Transit bus and rail lines. There are numerous recreation activities, shopping centers, and historic and cultural sites throughout the 21 municipalities. This makes Somerset County a desirable place to live and work. Due to these reasons, many corporations have located offices or headquarters within the county.

Somerset County has experienced a population increase of 9.9% between 2000 and 2009; the most recent U.S. Census Bureau figures estimate the County's total population to be 326,869. In addition, the County has become more diverse. Asian persons represent 13.1% of the total population; African American persons represent 9.2% of the population; and persons of Hispanic origin represent 12.7% of the population. A language other than English is spoken at home by 37% of the population. This trend has created a need for the County, municipalities and non-profit agencies to modify their outreach, to create new programs, and to provide bilingual staff.

While the value of homes throughout the State of New Jersey has declined, the cost of housing in Somerset County remains high and continues to present challenges to homeowners. According to recent figures from the National Association of Realtors, the median sales price for an existing single family home in Somerset County was \$358,000 for the fourth quarter of 2010 (most current statistics) compared to \$334,600 for the first quarter of 2009 which represents an increase of 7%. These statistics show that housing costs in the area have risen slightly although the country is experiencing a down market. Although the County continues to encourage and support homeownership through the First Time Home Buyer's Club, the dream of homeownership continues to evade many of the County's low and moderate-income residents.

Somerset County is not immune from the problems that challenge most local housing markets, particularly the increase in foreclosures. To further complicate matters, there has been a Court-ordered moratorium on foreclosures, issued at the end of 2010. "Foreclosure filings are down 86 percent so far this year from last, owing in part to a December crackdown by

the state's chief justice that effectively halted proceedings...But lenders are waiting to file an estimated 28,500 foreclosures and another 55,000 mortgage loans are currently more than 90 days delinquent" (Star Ledger, June 27, 2011, "Housing Experts Fear what Lies Ahead"). Though there is no specific data for Somerset County, according to Legal Services of Northwest Jersey Director Diane Smith, "The prediction is that the filings for August through December 2011 will be approximately 1580, which means filing at the rate of 316 per month, a rate that is approximately 2.4 times the monthly rate in 2010, as the backlog at the large banks hits the court." Obviously, this trend will have many negative implications for the housing market, the demand for social services and affordable housing, the employment market, and local government.

Access to affordable rental housing remains difficult for residents of the County. As one might expect, low and moderate-income residents face the greatest challenge. In Somerset County New Jersey, the Fair Market Rent (FMR) for a two-bedroom apartment is \$1,449 compared to the average State of NJ for a two-bedroom rent of \$1,276. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, a Somerset County household must earn \$57,960 annually. Assuming a 40-hour work week with 52 weeks per year, this level of income translates into a Housing Wage of \$27.87. (*This data is from the National Low Income Housing Coalition 2011 Out of Reach Report.*)

In New Jersey, a minimum wage worker earns an hourly wage of \$7.25. In order to afford the Fair Market Rent (FMR) for a two-bedroom apartment in Somerset County, a minimum wage earner must work 153 hours per week compared to 135 hours for NJ overall (based on 52 weeks per year). In other words, a Somerset County household must include 3.8 minimum wage earners working 40 hours per week year-round, compared with 3.4 for New Jersey, in order to make the two-bedroom FMR affordable.

In Somerset County, a majority of households renting are extremely cost burdened and they pay more than 50% of their total gross income for rent plus utilities according to data from the National Low Income Housing Coalition. Fortunately, some County residents are able to receive rental subsidies through the Section 8 voucher programs operated by the Boroughs of Somerville and Manville, the Department of Community Affairs, and the Franklin Township Housing Authority. While there is some housing assistance available, the needs are far greater than the resources. Aside from general dilapidation, which can result in higher operating costs, there are other troublesome issues including lead paint, mold, and asbestos. These structures are primarily located in the municipalities of Bound Brook, Manville, North Plainfield, Raritan, Somerville, and South Bound Brook which are the areas that have the highest concentrations of low and moderate-income residents and are the locus of the County's designated Low/Mod areas, with the exception of one census tract each in Bernards, Bernardsville and Bridgewater.

There is a small, but growing homeless population in the County. Based on the data collected during the County's Annual Point in Time Count on January 26, 2011, there are 254 homeless persons in the County. This number supports a strong, urgent need for more permanent supportive housing.

Sources of income for this population are Medicaid, Temporary Assistance to Needy Families (TANF), GA Welfare and social security, while some reported they were still receiving wages. Finally, there is a disproportionate share of African-Americans (50.4%) who are homeless compared with the overall population of 9.2%. This number has increased from the 2010 Point in Time Survey, when African-Americans were 43.9% of the homeless population.

With the generous assistance of the Somerset County Board of Chosen Freeholders, the Board of Social Services, the Department of Human Services, and the County's non-profit community, there is a wide array of services that are provided to seniors, veterans, persons with disabilities and other frail and/or at-risk subpopulations within the County. The challenge of Community Development in Somerset County continues to be the effective allocation and use of CDBG, HOME, ADDI and HTF funds in an environment where the needs are much greater than the resources.

Citizen Participation 91.220(b)

2. Provide a summary of the citizen participation and consultation process (including efforts to broaden public participation in the development of the plan.

Somerset County has a thorough Citizen Participation Plan, adopted in April 1995, which meets all of the requirements outlined in 24 CFR 91.105. The intent of the Plan is to provide opportunity for and encourage residents to participate in the development of the Annual Action Plan and Consolidated Plan, substantial amendments to the Action Plan, and the Annual Performance Evaluation Report. Generally, citizen participation will be provided for and encouraged by distribution of program information and literature, public meetings and hearings, and public notices and advertisements.

So that County residents could provide input and indicate their preferences for Housing and Community Development needs and services, the Community Development staff held a public meeting in Somerville on June 23, 2011. This meeting associated with the 2011 CDBG and HOME allocation processes was advertised and open to the public. The public is also invited to attend all meetings of the Community Development and HOME Committees.

3. Provide a summary of citizen comments or views on the plan.

No comments were received.

4. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

No comments were received.

Resources 91.220(c)(1) and (c)(2)

5. Identify the federal, state, and local resources (including program income) the jurisdiction expects to receive to address the needs identified in the plan. Federal resources should include Section 8 funds made available to the jurisdiction, Low-Income Housing Tax Credits, and competitive McKinney-Vento Homeless Assistance Act funds expected to be available to address priority needs and specific objectives identified in the strategic plan.

(1) Federal

- A. Community Development Block Grant (CDBG) Program - funds from the U.S. Department of Housing and Urban Development for housing rehabilitation, human services, handicapped accessibility, and general improvement projects that principally benefit persons who are low/moderate income or categorically eligible. Funds are also available for improvements to streets, sewers, parks, and sidewalks in Designated Service Areas. Administered by the County Community Development Office;
- B. Continuum of Care/ McKinney funds - funds from the U.S. Department of Housing and Urban Development to meet urgent housing needs of the homeless. Funds are awarded on a competitive basis through an application process that is announced in the Department of Housing and Urban Development's Super NOFA. The application process is facilitated by the County Community Development Office;
- C. Emergency Assistance - funds from the U.S. Department of Health and Human Services for housing assistance to individuals in receipt of TANF and GA services. Administered by the Somerset County Board of Social Services;
- D. General Assistance - funds from the U.S. Department of Health and Human Services for the provision of cash assistance and work opportunities to individuals or couples without dependents under age eighteen. Administered by the Somerset County Board of Social Services;
- E. SNAP - food assistance for income-eligible families. Administered by the County Board of Social Services;
- F. HOME Investment Partnership Program - funds from the U.S. Department of Housing and Urban Development for the construction, acquisition, and rehabilitation of affordable housing; also available for First Time Home Buyer assistance. Administered by the County Community Development Office.
- G. Low Income Home Energy Assistance Program - funds for the provision of subsidies to help low-income families and individuals pay for home heating costs or heating costs associated with rent. In addition, households may also be eligible for emergency energy assistance and medically necessary cooling assistance. Administered by NORWESCAP;
- H. Post- Temporary Assistance to Needy Families - provides funding for outreach and provision of transitional benefits and services that are available to prevent recidivism. Administered by the County Board of Social Services;

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- I. Temporary Assistance to Needy Families - funds from the U.S. Department of Health and Human services for the provision of cash assistance and work opportunities to individuals or couples with dependents under age eighteen. Administered by the Somerset County Board of Social Services;
- J. Women, Infants, and Children Supplemental Nutrition Program (WIC) - funds from the U.S. Department of Agriculture for nutritious food, nutrition information, access to healthcare, and referrals. In order to receive WIC, one must be income eligible and have nutritional or health needs. Administered by NORWESCAP;
- K. ARRA – 2009 American Recovery and Reinvestment Act (ARRA) – Funds were made available through HUD when the Recovery Act was signed into law by President Obama on February 17, 2009. Nearly all of the funds that were made available to the County by HUD have been spent.

(2) **State**

- A. Social Services for the Homeless- provides funds to shelter homeless individuals and families
- B. Social Services Block Grant- federal grant for the provision of services including but not limited to adult and child daycare, protective services, transportation and health-related services
- C. TIP Program: support services based on case-by-case needs providing linkages to social, medical and employment services funds for a Community Outreach Coordinator;
- D. Post TANF transportation funds: help assist working clients with transportation problems that may interfere with the maintenance of employment;
- E. WFNJ: funds for the provision of services to help TANF and GA clients return to the workforce;
- F. Workforce New Jersey Transportation Block Grant: funds to provide van service transportation for clients to and from their work activity programs, job interviews and job fairs; and special Initiatives: providing group and individual counseling to help deal with the stress of entering the work force for the first time as well as to deal with the issues of raising a family and maintaining employment.

(3) **County-**

- A. Non-Profit Purchase of Service - County procurement and provision of human services by a number of community-based organizations;
- B. Somerset County Improvement Authority - a financing conduit for other Somerset County government entities;
- C. Home Health Aide Services - funds for the provision of home health aide services for income eligible seniors;
- D. Adult Protective Services - funds for the provision of intervention services persons over eighteen years of age to reduce incidence of abuse, neglect, and exploitation.
- E. Homelessness Trust Fund – funds to provide rental assistance and case management to improve clients’ chances of maintaining permanent housing within the County.

(4) **Private**

- A. For Profit - various developers will construct Mount Laurel housing as part of a larger, market-rate development and/or will use private funds toward the rehabilitation of low/moderate income owner-occupied housing units;

- B. Individual Development Account - structured saving plan for individuals or families with dependents under age eighteen. Program provides match made available by participants from the banking community. Administered by NORWESCAP;
- C. Family Loan - reduced rate loans to individuals with dependents under age eighteen for expenses that are necessary to maintain employment. Loans are made available by participants from the banking community. Administered by NORWESCAP.

6. Explain how federal funds will leverage resources from private and non-federal public sources.

In Program Year 2011, the amount of CDBG funds requested was two times greater than the amount of funds available. Within the Public Services category, the amount requested was nearly three times greater than the fifteen percent statutory limit. In order to maximize the return of limited funding and to provide as much support as possible, the committee opted to provide partial funding to many projects that were presented for consideration. In fact, no PY 2011 project was awarded enough funds by either the CD or HOME Committee to completely sustain a project; every project in the Action Plan will require investment from other sources in order to proceed. As a result, every project in the Action Plan will leverage private and non-federal public resources in order to move forward. The CDBG projects will leverage nearly 2.5 times as much as the grant amount and the HOME projects will leverage nearly 2 times as much as the grant amount.

Annual Objectives 91.220(c)(3)

Goals and objectives to be carried out during the action plan period are indicated by placing a check in the following boxes.

<input type="checkbox"/>	Objective Category Decent Housing	<input type="checkbox"/>	Objective Category: Expanded Economic Opportunities	<input type="checkbox"/>	Objective Category: Expanded Economic Opportunities
Which includes:		Which includes:		Which includes:	
<input checked="" type="checkbox"/>	assisting homeless persons obtain affordable housing	<input checked="" type="checkbox"/>	improving the safety and livability of neighborhoods	<input checked="" type="checkbox"/>	job creation and retention
<input checked="" type="checkbox"/>	assisting persons at risk of becoming homeless	<input checked="" type="checkbox"/>	eliminating blighting influences and the deterioration of property and facilities	<input type="checkbox"/>	establishment, stabilization and expansion of small business (including micro-businesses)
<input checked="" type="checkbox"/>	retaining the affordable housing stock	<input type="checkbox"/>	increasing the access to quality public and private facilities	<input checked="" type="checkbox"/>	the provision of public services concerned with employment

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<input checked="" type="checkbox"/>	increasing the availability of affordable permanent housing in standard condition to low-income and moderate-income families, particularly to members of disadvantaged minorities without discrimination on the basis of race, color, religion, sex, national origin, familial status, or disability	<input type="checkbox"/>	reducing the isolation of income groups within areas through spatial deconcentration of housing opportunities for lower income persons and the revitalization of deteriorating neighborhoods	<input type="checkbox"/>	the provision of jobs to low-income persons living in areas affected by those programs and activities under programs covered by the plan
<input type="checkbox"/>	increasing the supply of supportive housing which includes structural features and services to enable persons with special needs (including persons with HIV/ADOS) to live in dignity and independence	<input type="checkbox"/>	restoring and preserving properties of special historic, architectural, or aesthetic value	<input checked="" type="checkbox"/>	availability of mortgage financing for low income persons at reasonable rates using non-discriminatory lending practices
<input type="checkbox"/>	providing affordable housing that is accessible to job opportunities	<input type="checkbox"/>	conserving energy resources and use of renewable energy sources	<input type="checkbox"/>	access to capital and credit for development activities that promote the long-term economic social viability of the community

7. Provide a summary of specific objectives that will be addressed during the program year.

Aside from the priorities that are outlined for potential applicants to the CDBG and HOME Programs, the County is hopeful that it will be able to bring to completion a number of specific housing objectives. The jurisdiction will continue to work toward its goal of increasing the County’s supply of all affordable permanent and permanent supportive housing. Please see the Housing Needs and Community Development Tables for more information regarding the County’s specific priorities and objectives during the next year.

Description of Activities 91.220(d) and (e)

8. Provide a summary of the eligible programs or activities that will take place during the program year to address the priority needs and specific objectives identified in the strategic plan.

Please see attached CPMP sheets.

Geographic Distribution/Allocation Priorities 91.220(d) and (f)

9. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year. Where appropriate, the jurisdiction should estimate the percentage of funds the jurisdiction plans to dedicate to target areas.

The County's Low/Mod Service Areas (LMAs) are the geographic areas of the jurisdiction where assistance will primarily be directed. Aside from having the highest concentration of low and moderate income residents, these

communities are where the County's non-profits are primarily located. It is possible for projects outside of a LMA to be granted funding provided that the projects serve clients that are income or categorically eligible. In order to determine eligibility, Somerset County uses uncapped data. Using this methodology, LMAs are determined to be block groups where at least 51% of the residents earn less than 80% of the area median income. In general, the LMAs of Somerset County are primarily located within the older suburbs of Bound Brook, Manville, North Plainfield, Raritan, Somerville, and South Bound Brook, but there are eligible areas in Bernards, Bernardsville and Bridgewater as well. The County does not dedicate funds to these areas; the CD Committee considers all of the CDBG applications that are submitted and makes unique funding recommendations every year.

10. Describe the reasons for the allocation priorities, the rationale for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) during the next year, and identify any obstacles to addressing underserved needs.

Priorities for the investment of CDBG and HOME allocations reflect the results of a community-wide Housing and Community Development Need Survey along with input from the public. These priorities were originally created in 1997 and updated in 2005 and 2010 when the survey was released to the public. Results from the July 2010 survey show a slight but noticeable shift in respondent priorities. There was a decrease in importance that respondents assigned to the communal amenities like sidewalk and sewer improvements and community facilities like senior and youth centers and health/recreational facilities. There was also a noticeable increase in the importance that respondents assigned to basic needs including health, transportation, employment and energy-related services. For the first time, services to the homeless and down payment assistance also emerged as a high priority. The CDBG and HOME Consolidated Plan Priorities have been revised accordingly.

Within Somerset County, there are a number of obstacles to meeting the underserved needs of CDBG and HOME Program beneficiaries. In the housing, homeless, and special needs area, the following barriers have been identified: the shortage of affordable and other supportive housing opportunities, shortage of Section-8 vouchers to assist low income tenants, insufficient funding resources for housing programs, inflation and shortages in the region's affordable housing market, and community resistance to the development of affordable housing. With respect to non-housing community development needs, the principal impediments are inadequate funding levels and resistance to increasing property taxes to provide projects and services in areas where there is need.

In addition, there are several barriers that preclude program constituents from taking full advantage of CDBG and HOME-funded programs and activities. These barriers include language and/or cultural barriers that obstruct one's willingness to accept publicly-funded social services as well as the ability of staff to communicate clearly with potential beneficiaries; lack of sufficient and affordable public transportation; deficiencies/gaps in the County and social service providers' ability to make community members aware of services that are available; and the necessity of using federal income guidelines that do not take into consideration the high cost of living in New

Jersey and more specifically Somerset County to determine eligibility. As a result, many working families are ineligible for CDBG and/or HOME programs.

Annual Affordable Housing Goals 91.220(g)

11. Describe the one-year goals for the number of homeless, non-homeless, and special-needs households to be provided affordable housing using funds made available to the jurisdiction and one-year goals for the number of households to be provided affordable housing through activities that provide rental assistance, production of new units, rehabilitation of existing units, or acquisition of existing units using funds made available to the jurisdiction. The term affordable housing shall be defined in 24 CFR 92.252 for rental housing and 24 CFR 92.254 for homeownership.

This information is included in the Annual Housing Needs Table.

Public Housing 91.220(h)

12. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.

The Housing Authority located in Franklin Township is within a municipality that has its own CDBG Program. This precludes the County from providing assistance through the CDBG Program and HOME Program funds cannot be used because it is not possible to attach a lien to federal property.

Public Housing in Franklin Township is in the process of redevelopment. The Franklin Township Housing Authority Redevelopment of Parkside Village is a two-phased, 140-unit, mixed-income, affordable housing community. Each phase will have 70 units; phase one is comprised of a 70-unit three-story senior building; and phase-two is comprised of 70 units in 35 two-family buildings. The total project cost is estimated at approximately \$40 million using primarily state tax credits. Key benefits of the project include 1) net increase of 40 units to support the Township's COAH obligation, 2) better land utilization, 3) larger units for residents, 4) improved access to the park, and 5) energy efficient units that will improve the quality of life for County residents. The senior building is scheduled to open in July 2011. The family buildings are partially complete – 20 units are scheduled to open in August 2011, with the balance due to open at the end of 2011.

The plan has a strong emphasis on empowerment through housing counseling, education and outreach, certainly includes activities that will encourage public housing residents to participate in homeownership. County staff will take the following actions:

- a. Offer to make presentations at the Housing Authority related to homeownership, the Down Payment Assistance Program and other forms of housing-related assistance.

- b. To the greatest extent possible, ensure that public housing residents are made aware of educational opportunities provided by CJHRC and other organizations.
 - c. Provide literature related to homeownership, the ADDI Program, and other forms of housing-related assistance.
 - d. Encourage HOME subgrantees to include PHA residents in their outreach and affirmative marketing.
13. If the public housing agency is designated as "troubled" by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

The Franklin Township Housing Authority is not designated as "troubled."

Homeless and Special Needs 91.220(i)

14. Describe, briefly, the jurisdiction's plan for the investment and use of available resources and describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness.

According to the 2011 Point in Time Survey, there are twenty chronically homeless individuals in Somerset County. Somerset County's continuing strategy - as outlined in its Ten Year Plan to End Chronic Homelessness - for addressing this important issue is as follows:

- Continue to make emergency shelter and supportive services to this population.
 - Continue to collect and review data related to this population.
 - Continue to meet regularly and to use relevant data to discuss trends and emerging issues.
 - Continue to outreach and encourage this population to accept services.
15. Describe specific action steps to address the needs of persons that are not homeless identified in accordance with 91.215(e).
- Continue the provision of supportive services in the form of housing counseling, food and energy assistance, legal services, mental health services and counseling, affordable childcare, health services.
 - Continue to support financial and housing-related educational opportunities that increase life skills and self-sufficiency.
 - Continue the provision of housing and basic needs-based "safety-net" services for County residents who are in crisis or face other emergency situations.
 - Continue to meet regularly and to use relevant data to discuss trends and emerging issues.
 - Continue to suggest innovative approaches to the challenges that face the County's most vulnerable populations.
 - Continue to advocate for legislation, programs and services that will

- impact the ability of the “working poor” to become self-sufficient.
- Continue to provide assistance through the NJ Shares program.
- Implementation of Homelessness Trust Fund to provide rental assistance and case management to improve clients’ chances of maintaining permanent housing within the County.

16. Homelessness Prevention—Describe planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.

- Continue the provision of emergency assistance in the form of rental assistance, utility payment, food, and other basic needs;
- Continue with the provision of life skills and other educational opportunities designed to assist one to become more self-sufficient;
- Continue to meet regularly and to use relevant data to discuss trends and emerging issues;
- Continue to suggest innovative approaches to the challenges that face the County’s most vulnerable populations;
- Utilize Homelessness Trust Fund money to provide up to twelve (12) months of rental assistance and case management services to individuals and families who are at risk of homelessness in an effort to increase their chances of maintaining permanent housing within Somerset County.

Barriers to Affordable Housing 91.220(j)

17. Describe the actions that will take place during the next year to remove barriers to affordable housing.

a. Public Policy/Decision Making- the County will continue to seek opportunities to provide input in the decision-making process as it relates to public policies that affect the implementation of Fair Housing Laws and other barriers identified in the Analysis of Impediments (AI). In addition, the County’s HSAC (Human Services Advisory Council) and CEAS Committees will continue to advocate for and support policies intended to further the causes of affordable housing at the federal, state, and local levels.

b. Actions to Overcome Private Sector Impediments-

The County will continue to contract with CJHRC and Legal Services of Northwest Jersey to provide fair housing counseling and legal representation to low and moderate income residents of the County who are the victims of housing discrimination. Moreover, the County participates in and, to the greatest extent possible, provides support to CJHRC as the agency provides training and educational opportunities during Fair Housing Month and throughout the year. Some of these workshops include Rental Realities, Credit when Credit is Due, Step-by-Step, Spanish Step-by-Step, First Home Club, First Time Homebuyer’s Expo and Seminar, Pre- and Post-Purchase Counseling, Delinquency and Foreclosure Counseling, and Reverse Mortgage Counseling. Without fail, the County’s Human Services department sponsors annual training as part of local Housing Month activities. Past trainings include a panel discussion on the uses of Section 202 and 811 funding from

the Department of Housing and Urban Development and information sessions by Habitat for Humanity. Discussions were led by guest speakers from Family Promise and the National Coalition for the Homeless and a Green Housing Program was presented by NJ Housing and Mortgage Finance Agency and a local affordable housing provider. An evening Homebuyer Education Series was also hosted by the department.

The CD Office continues to communicate with other agencies (for example- Board of Realtors, CJHRC) to identify and address impediments to Fair Housing. Finally, the Fair Housing Brochure is disseminated to local banks, realtors, non-profit and municipal organizations, county divisions, and CD subgrantees for display and distribution.

c. Actions to Overcome Market/Community-Based Impediments- The CD Office, through the County Speakers Bureau, makes presentations on Fair Housing to the public and community organizations and has conducted an extensive outreach effort to local churches and civic groups. CD Staff routinely make presentations in the community focusing on topics such as homeownership, County-funded Housing Rehabilitation Programs, and other matters pertinent to housing and community development. In addition, the County will continue its aggressive effort to cultivate and increase capacity among its affordable housing developers through outreach and technical assistance. CD Staff continue to work with non-profit housing agencies around Community Housing Development Organization (CHDO) Certification, innovative approaches to all phases of housing that are part of the County's Continuum of Care, and alternative financing mechanisms.

Other Actions 91.220(k)

18. Describe the actions that will take place during the next year to address obstacles to meeting underserved needs, foster and maintain affordable housing, evaluate and reduce the number of housing units containing lead-based paint hazards, reduce the number of poverty-level families develop institutional structure, enhance coordination between public and private agencies (see 91.215(a), (b), (i), (j), (k), and (l)).

To address obstacles to meeting underserved needs the County will take the following steps:

- Continue to meet regularly and to use relevant data to discuss trends and emerging issues.
- Continue to suggest innovative approaches to the challenges that face the County's most vulnerable populations.
- Continue to advocate for legislation, programs and services that will impact the ability of the "working poor" to become self-sufficient.
- Initiate a campaign to raise awareness about programs and services that are available, with particular attention to ones that are underused.
- Administer Homelessness Trust Fund assistance.
- Use volunteers to implement programs that are useful to this population.

To foster and maintain affordable housing, the County will take the following steps:

Somerset County, NJ 2011 Action Plan

- Continue to meet regularly and to use relevant data to discuss trends and emerging issues.
- Continue to affirmatively market supply-side housing development opportunities.
- Continue to affirmatively market demand-side housing development opportunities including Housing Rehabilitation, First Home Club, Matched Savings and homebuyer education programs.
- Continue to advocate for legislation, programs and services that will impact the ability of the “working poor” to become self-sufficient.

To evaluate and reduce the number of housing units containing lead-based paint hazards, County staff will take the following action steps:

- Consult with Health Departments to determine where applicable units are located within County.
- Affirmatively market and outreach homeowners in target areas for participation in housing rehabilitation program.
- Provide educational materials at housing-related training and other public events where County staff may be present.

To reduce the number of families living at the poverty level, County staff will take the following actions:

- Continue working to increase access to affordable medical/dental care and prescription assistance.
- Continue the provision of housing counseling relative to homeownership, tenant responsibilities, and personal financial management.
- Continue providing training and educational opportunities that will increase one’s ability to earn a living wage.
- Continue the provision of supportive services in the form of housing counseling, food and energy assistance, legal services, mental health services and counseling, affordable childcare, health services.
- Administer Homelessness Trust Fund assistance.
- Use volunteers to implement programs that are useful to this population.

To enhance coordination between public and private agencies, County staff will take the following actions:

- Encourage CDBG and HOME subgrantees to actively participate in interlocal and intergovernmental commissions and committees.
- Continue to participate in public/private partnerships for the provision of housing and community development needs.
- Continue to encourage and facilitate public participation in Consolidated Planning activities.

19. Describe the actions to coordinate its housing strategy with local and regional transportation planning strategies to ensure to the extent practicable that residents of affordable housing have access to public transportation.

Community Development staff will participate in the Somerset County Regional Sustainability Initiative, which includes access to both affordable housing and public transportation as goals. As a participant, staff will:

- Ensure that affordable housing developments are considered in the development of public transportation routes,
- Ensure that the employment and other transportation needs of low and moderate income residents are considered when new transportation routes are considered,
- Support and encourage public/private partnerships to meet the transportation needs of low and moderate income County residents,
- Support and encourage transportation routes that provide service to underserved areas, and in addition,
- Support non-traditional transportation options, and
- Advocate for and provide support for new public transportation initiatives.

PROGRAM SPECIFIC REQUIREMENTS

CDBG 91.220(I)(1)

1. Identify program income expected to be received during the program year, including:
 - amount expected to be generated by and deposited to revolving loan funds;
 - total amount expected to be received from each new float-funded activity included in this plan; and
 - amount expected to be received during the current program year from a float-funded activity described in a prior statement or plan.

Somerset County does not have a revolving loan program and therefore, will not generate or deposit any revolving loan funds.

The 2011 Action Plan does not include any new float-funded activities.

Somerset County does not conduct float-funded activities and therefore, will not receive any program income from a float-funded activity.

2. Program income received in the preceding program year that has not been included in a statement or plan.

Program Income received in the preceding year (most likely from the Housing Rehabilitation Program) will be used for to provide additional Housing Rehabilitation services.

3. Proceeds from Section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in its strategic plan.

Somerset County does not operate a Section 108 Loan Guarantee Program.

4. Surplus funds from any urban renewal settlement for community development and housing activities.

Somerset County does not have access to surplus funds from any urban renewal settlement for community development and housing activities.

5. Any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan.

Somerset County has not had to return any grant funds to the line of credit.

6. Income from float-funded activities.

The jurisdiction does not allow float-funded activities.

7. Urgent need activities, only if the jurisdiction certifies.

The jurisdiction does not certify urgent need activities.

8. Estimated amount of CDBG funds that will be used for activities that benefit persons of low- and moderate income.

Approximately \$968,804 of Program Year 2011 CDBG funds will be used for activities that benefit persons of low and moderate income.

HOME 91.220(I)(1)

1. Describe other forms of investment. (See Section 92.205)

The Community Development Office will continue to encourage subgrantees to solicit other funding to use in conjunction with funds through the HOME Investment Partnership Program. It is estimated that HOME projects that were awarded funding for Program Year 2011 represent a HOME match of at least \$1,200,000 of public and private sector contributions from a number of sources including the Federal Home Loan Bank, the HUD 811 program, NJ Housing and Mortgage Finance Agency, the NJ Department of Community Affairs, and revenue generated through fundraising. In order to ensure that the County's match requirement is met, CD staff will require that all HOME subgrantees submit match reporting information when a project is completed. The combination of match funds from the 2011 HOME Program along with the County's Program Year 2009 excess match of \$7,904,519.16 are more than sufficient to ensure that the County satisfies its match obligation. Once collected, this data will be summarized and reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

2. If grantee (PJ) plans to use HOME funds to refinance existing debt secured by multifamily housing that is being rehabilitated with HOME funds, state its refinancing guidelines required under 24 CFR 92.206(b).

Somerset County will not use HOME funds to refinance existing debt secured by multi-family housing.

3. Resale Provisions -- For homeownership activities, describe its resale or recapture guidelines that ensure the affordability of units acquired with HOME funds. See 24 CFR 92.254(a)(4).

Somerset County HOME funds are subject to resale guidelines to ensure that when a HOME-assisted homebuyer sells the property during the period of affordability, the property is sold to another low-income homebuyer. All

HOME-assisted properties are subject to a Repayment Mortgage, a Mortgage Repayment Note, and a Deed Covenant. All of these documents are recorded by the Somerset County Clerk. The County's resale provisions use the Consumer Price Index to calculate a reasonable rate of inflation and make allowances for the inclusion of the homebuyer downpayment plus the cost of any improvements made to the home. Finally, the resale cost of any such property must be approved by Community Development staff in order to ensure that the unit is sold at a price that is affordable to a reasonable range of low-income buyers. Somerset County defines a reasonable range of low income buyers as individuals or families at 75% of area median income that will pay not more than 30% of their income for Principal, Interest, Property taxes and mortgage insurance.

4. HOME Tenant-Based Rental Assistance -- Describe the local market conditions that led to the use of HOME funds for tenant based rental assistance program.

2011 Fair Market Rent (FMR)	
Zero-Bedroom	\$1,188
One-Bedroom	\$1,232
Two-Bedroom	\$1,449
Three-Bedroom	\$1,818
Four-Bedroom	\$2,145

The high fair market rents in Somerset County coupled with the recent economic downturn have made it difficult to rent in the county. In order to afford the Fair Market Rent (FMR) for a two-bedroom apartment in Somerset County, a minimum wage earner must work 153 hours per week. In other words, a Somerset County household must include 3.8 minimum wage earner(s) working 40 hours per week year-round in order to make the two-bedroom FMR affordable. These figures led the HOME Committee to conclude that tenant-based rental assistance would be an effective use of HOME funds. This decision is further supported by renter cost-burden data in the Housing Needs Table.

5. If a participating jurisdiction intends to use forms of investment other than those described in 24 CFR 92.205(b), describe these forms of investment.

Somerset County has begun to use funds from the newly established Homelessness Trust Fund toward homelessness prevention and the provision of affordable housing. Enabled by the NJ County Homeless Trust Fund Act, the measure allows counties to generate revenue by attaching a \$3 surcharge to the recording fee for housing-related documents. This funding must be used for activities directly related to housing individuals and families that are homeless and activities to prevent homelessness. Specifically, funds can be used to provide rental assistance, supportive services, and to develop housing. At the end of 2010, the Fund had approximately \$74,250 and it is estimated that the Fund will generate approximately \$150,000 before the end of 2011. A committee met in early 2011 and established guidelines for the program, including the application process, priorities for the funds, and qualifications and goals that must be met by participants and potential participants.

Under the guidelines of the program, the Fund will provide up to twelve months of rental assistance and case management that is intended to help clients become aware of and access resources to help increase one's chances to maintain permanent housing within Somerset County. An applicant must be able to demonstrate that they will be able to afford their housing without rental assistance within twelve months. In order to qualify, applicants must be employed, have a formal lease and be within the following income limits:

1 Person - \$35,063; 2 People - \$40,063;
3 People - \$45,063; 4 People - \$50,063;
5 People - \$54,063; 6 People - \$58,063.

In addition, program participants:

1. Must be able to pay at least 75% of their rent at the time of enrollment
 2. Must complete a monthly household budget
 3. Must maintain monthly contact with the Program Case Manager and attend a monthly meeting with a Money Management Counselor referred by the CD Office.
 4. Must apply for the CJHRC Savings Match Program (6 or 12 months).
 5. Must be willing to accept case management services that include financial management, employment, and/or any other services that are deemed necessary for one to maintain permanent housing
6. Describe the policy and procedures it will follow to affirmatively market housing containing five or more HOME-assisted units.

The jurisdiction requires HOME subgrantees to market their programs through mass mailings to all community-based agencies within the County. Once a list of prospective clients has been established, subgrantees are required to screen applicants on a first-come, first-served basis. Once all of the units have been filled, the roster of applicants who could be served are placed on a waiting list and contacted when additional housing becomes available. Whenever possible and appropriate, this information is shared with other organizations that may be able to provide similar opportunities. Program managers are encouraged to share information at regular meetings of the CEAS Committee. In addition, the CD Office posts housing opportunities on the bulletin board in the County Human Services building.

7. Describe actions taken to establish and oversee a minority outreach program within its jurisdiction to ensure inclusion, to the maximum extent possible, of minority and women, and entities owned by minorities and women, including without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts, entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing under the HOME program or any other Federal housing law applicable to such jurisdiction.

The County's Public Information Office routinely generates press releases and the Community Development Office runs legal notices encouraging minority and women-owned businesses to participate in the procurement process. To promote

equal opportunity and reach the widest audience possible, all bids for both of the County's Housing Rehabilitation programs are posted on the County website, Similarly, CDBG and HOME subgrantees are encouraged to advertise their projects online and in trade publications.

8. If a jurisdiction intends to use HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds, state its financing guidelines required under 24 CFR 92.206(b).

The County does not intend to use HOME funds to refinance existing debt.

Monitoring 91.230

1. Describe the standards and procedures the jurisdiction will use to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planning requirements.

Response

The County is of the opinion that Monitoring should be directed toward examining programmatic, financial, and regulatory performance and compliance. Primary objectives are (1) to ensure that subgrantees comply with all pertinent regulations governing their administrative, financial, and programmatic operations and (2) to ensure that subgrantees achieve their performance objectives within schedule and budget, and (3) to assess capabilities and/or any potential needs for training or technical assistance in these areas. Moreover, monitoring sessions provide a unique opportunity to get feedback, to inquire as to training needs, and to seek direction relative to how the CD Office can better serve its subgrantees. A copy of the monitoring tool for non-profit agencies is attached at the conclusion of this document, along with the County's timely spending policy.

MONITORING PROCEDURES

Monitoring should be directed toward programmatic, financial, and regulatory performance. Primary objectives are (1) to ensure that subgrantees comply with all pertinent regulations governing their administrative, financial, and programmatic operations and (2) to ensure that subgrantees achieve their performance objectives within schedule and budget, and (3) to assess capabilities and/or any potential needs for training or technical assistance in these areas.

Division-wide Protocol

1. Subgrantees are evaluated and monitored as part of the post-award assessment process that immediately follows subgrantee agreement training. Evaluation of the nature of activity, proposed plan for carrying out activity, the organization's capacity to do the work, and the possibility of potential conflicts of interest are within the post-award assessment. CD Office staff use this assessment to create monitoring schedules, to provide individualized technical assistance, and to create a timeline for outreach and follow-up.
2. Reports must be current prior to approval of any payment request. Reports may be monthly or quarterly, as mutually established between the County and the subgrantees prior to contract execution. Report forms are provided to the

subgrantees with the executed contract, to ensure that all required information is included.

3. Technical assistance will be provided as requested or with subgrantees identified as inexperienced with CDBG/HOME/ADDI or with agency management.

CDBG/HOME Projects and Programs

1. Establish an annual monitoring plan in conjunction with Department of Human Services Coordinated Monitoring Process/Policy.

a. Identify subgrantees most likely to encounter challenges and provide technical assistance attention to them. This identification may be due to recent personnel turnover, past performance, or the nature of the particular project.

b. Establish a schedule for on-site visits. Smaller subgrantees or subgrantees that have been monitored in the past and are managing well can be monitored through file evaluation when necessary although the CD Office concedes that this is not the most efficacious method for monitoring subgrantees.

c. If on-site monitoring is deemed appropriate, staff will use the Coordinated Monitoring Form to conduct on-site monitoring reviews.

d. Write subgrantees with findings, concerns and areas worthy of commendation. Provide deadlines for compliance with correcting deficiencies. Include positive feedback.

2. Single Audit requirements.

a. Notify subgrantees in writing of requirements under the Single Audit Act.

b. Review Audit Report. Letter of review sent to subgrantees. Assure all findings have been cleared by subgrantees.

HOME/ADDI Projects and Programs

Rental Projects

The County or its agent will:

1. Perform on-site inspections to determine compliance with property standards no less than once every three years for projects containing 1 to 4 units; once every two years for projects containing 5 to 25 units; and once per year for projects with 26 or more units.

2. Review income eligibility data collected in accordance with IRS 1040 methodology. Agency staff will submit *HOME Beneficiary form*, along with *HOME Annual Occupancy Report* on a yearly basis with the understanding that third-party verification is to be maintained on-site.

3. Verify that rents on HOME assisted units conform to current HOME Program rent considerations.

Ownership Projects and Programs

In the event that the County receives a notice of default or notice of foreclosure for a single family residence, County staff will attempt to contact the homeowner to determine the nature of the default, and if appropriate provide technical assistance and/or referral information; should a foreclosure occur, staff will pursue recapture of HOME/ADDI funds. Regarding requests for the County to provide Subordinations of Mortgage, it is the policy of the Board of Chosen Freeholders to do so as long as the amount of the new mortgage, combined with the amount of HOME assistance provided, does not exceed 80% of the unit's appraised value and that the new loan is not characterized by any predatory lending practices.