



State of New Jersey

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TO: Joint Budget Oversight Committee

FROM: Lynn Azarchi, Acting Director *LA*
Office of Management and Budget

DATE: November 23, 2021

SUBJECT: Request for State Fiscal Recovery Fund Program Approval

Pursuant to Federal Funds language on page D-16 of the FY22 Appropriations Act Handbook directing that “Funding recommendations shall be subject to the approval of the Joint Budget Oversight Committee (JBOC)”, the Administration seeks approval for twelve programs funded by the federal “Coronavirus State Fiscal Recovery Fund” (SFRF) established pursuant to the federal “American Rescue Plan Act of 2021,” Pub. L. 117-2:

- 1. Additional Level 1 Trauma Center:** \$100 million is needed to support Hackensack University Medical Center (HUMC), which was verified as a Level 1 Trauma Center this fall, in its efforts to strengthen regional health emergency preparedness infrastructure. HUMC will be required to submit a preparedness improvement plan subject to the conditions listed for the other Level 1 Trauma Centers on page D-17 of the Fiscal Year 2022 Appropriations Handbook.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts. HUMC is eligible under the SFRF Interim Final Rule (IFR) at 31 C.F.R. §35.6(b)(1)(v) and (xvi).

- 2. Supply Chain Disruption Funding:** \$40 million is needed to establish a program run through the Department of Community and Affairs (DCA) and the Housing and Mortgage Finance Agency (HMFA) to fill COVID-induced funding gaps in already underwritten and in-process affordable housing and community development projects.

Funds would be available for developers of projects previously awarded tax credits pursuant to the 9% federal Low Income Housing Tax Credit Program, as well as other programs, such as the 4% federal Low Income Housing Tax Credit Program, the federal New Markets Tax Credit Program, and the Affordable Housing Trust Fund. In addition to requiring some

compression or deferral of developer fees, DCA and HMFA will create an application so that awardees are incentivized to identify all other funding sources before entering the program.

U.S. Treasury SFRF Eligibility: U.S. Treasury's SFRF rules allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. The Supply Chain Disruption Program is eligible under the IFR at 31 C.F.R. §35.6 (b)(12)(ii)(B).

- 3. Eviction Prevention Program Implementation:** \$37.5 million is needed to provide targeted supports for individuals most in need of help with applications, and for temporary staff to assess eligibility and determine and disburse assistance payments, in addition to other tasks critical for program success.

These funds would be in addition to the 2.5 percent of the appropriated \$750 million for this program from P.L.2021, c.188., and would be distributed through the Department of Community Affairs.

U.S. Treasury SFRF Eligibility: U.S. Treasury's SFRF rules allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. The Eviction Prevention Program is eligible under the IFR at 31 C.F.R. §35.6(b)(8) and (12)(ii)(C).

- 4. Greenway Acquisition:** \$25 million is needed to support the State's efforts to purchase this transportation corridor in Essex and Hudson counties. These funds will supplement moneys from the Green Acres State Land Acquisition program and will specifically support SFRF-eligible stormwater and public health needs.

U.S. Treasury SFRF Eligibility: U.S. Treasury's SFRF rules allows for a broad range of uses for necessary investments in projects that improve access to clean drinking water, improve wastewater and stormwater infrastructure systems. The Greenway Acquisition project is eligible under the IFR at 31 C.F.R. §35.6(e)(1).

- 5. Inspira Health:** \$20 million is needed to support Inspira Health's proposed acquisition of the Salem Medical Center, which will enhance emergency preparedness and pandemic preparation for this community.

U.S. Treasury SFRF Eligibility: U.S. Treasury's SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts. Inspira Health's acquisition of the Salem Medical Center is eligible under the IFR at 31 C.F.R. §35.6(b)(1)(v).

- 6. Commuter Hub COVID-Impacted Redevelopment Program:** \$10 million is needed to assist retail and pedestrian activity in urban areas with mass transit that have faced economic harms from the reduction in commuters due to the pandemic. This program would split funds

between the Casino Reinvestment Development Authority and the Economic Development Authority for two targeted initiatives.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts, including assistance to nonprofits or aid to impacted industries such as tourism, travel, and hospitality. The Commuter Hub COVID-Impacted Redevelopment Program is eligible under the IFR at 31 C.F.R. §35.6 (b)(9).

7. **RWJ Barnabas Health:** \$5 million is needed to help RWJBH and Rutgers University Behavioral Health with programming related to addressing increased behavioral health needs due to the pandemic.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts. RWJBH’s program addressing behavioral health needs due to the pandemic is eligible under the IFR at 31 C.F.R. §35.6 b(1)(xviii) which allows for the provision of behavioral health services.

8. **Wally Choice Community Center:** \$5 million is needed to support the pandemic-related efforts (including educational and social services) of this facility in Glenfield Park.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to address the disproportionate public health and economic impacts of the crisis on the hardest-hit communities, populations, and households. The Wally Choice Community Center Project is eligible under the IFR at 31 C.F.R. §35.6(b)(12).

9. **Business Marketing Initiatives:** \$5 million is needed to help the State expand the implementation of a marketing program to highlight the benefits of doing business in New Jersey as the State works to recover from the economic impacts of the pandemic.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts, including aid to impacted industries such as tourism, travel, and hospitality. The Business Marketing Initiatives are eligible under the IFR at 31 C.F.R. §35.6(b)(9).

10. **Atlantic Health:** \$3 million is needed for the modernization and renovation of the Emergency Department at the Morristown Medical Center, which will make the facility better able to address the current pandemic and future infectious disease outbreaks.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts. The Atlantic Health Project is eligible under the IFR at 31 C.F.R. §35.6(b)(1)(v) and (xvi).

11. Alexander Hamilton Visitor and Education Center at the Great Falls of the Passaic River: \$2 million is needed to support eligible costs for this tourism-related project at the National Historical Park in the City of Paterson.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules allow for a broad range of uses to respond to the public health emergency or its negative economic impacts, including aid to impacted industries such as tourism, travel, and hospitality. The Alexander Hamilton Visitor and Education Center Project is eligible under the IFR at 31 C.F.R. §35.6(b)(9).

12. Vernon Township: \$100,000 is needed to support the township’s public health efforts related to environmental remediation.

U.S. Treasury SFRF Eligibility: U.S. Treasury’s SFRF rules provide wide latitude to identify investments in water and sewer infrastructure that are a priority for their communities. The Vernon Township Project is eligible under the IFR at 31 C.F.R. §35.6(e)(1).

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