Affordable Housing Production Programs:

1. **National Housing Trust Fund (NHTF):** up to four (4) units of very low income (<30% AMI) rental housing for Special Needs populations (paired with Project Based Voucher thru Section 8)

2. **HOME CHDO/HPI:** up to eleven (11) units of low- and moderate-income housing

3. **Affordable Housing Trust Fund (AHTF):** up to 25 units of low- and moderate-income housing
• Formerly known as the **Neighborhood Preservation Balanced Housing Program** (regulations apply to the AHTF)

• Established by the **NJ Fair Housing Act of 1985**

• Funded by the **Realty Transfer Fee**

• Mission is to assist in delivery of affordable housing to low- and moderate-income households
1. **Municipal Settlement Fund**

Smaller-scale project to assist municipalities fulfill court-sanctioned affordable housing settlements

2. **Neighborhood Partnership Fund**

Non-court-sanctioned settlement and Qualified Urban Aid municipalities, where the fund will prioritize further State investments, such as:
- Neighborhood Preservation Program (NPP) (NJDCA);
- Neighborhood Revitalization Tax Credit (NRTC) (NJDCA);
- Main Street (NJDCA);
- Transit Villages (NJDOT);
- Local Aid & Economic Development (NJDOT);
- Opportunity Zone (OZ) Challenge Grant (NJEDA);
- 21st Century Redevelopment Program (NJEDA);
- Other State Investments; and
- Private Sector Investor Partnerships (e.g. – CDFIs, Philanthropic Foundations, Hospitals)

3. **Innovation Fund**
<table>
<thead>
<tr>
<th>FUND CATEGORY</th>
<th>MAXIMUM AWARD</th>
<th>MAXIMUM UNITS</th>
<th>ALLOCATION OF FUNDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Settlement Fund</td>
<td>$6,000,000</td>
<td>25</td>
<td>50%</td>
</tr>
<tr>
<td>Neighborhood Partnership Fund</td>
<td>$6,000,000</td>
<td>25</td>
<td>40%</td>
</tr>
<tr>
<td>Innovation Fund</td>
<td>$2,000,000</td>
<td>Housing/Non-Housing</td>
<td>10%</td>
</tr>
</tbody>
</table>
WHO CAN BE THE DEVELOPER OR SPONSOR?

- Municipalities
- For-Profit Housing Sponsors
- Non-Profit Housing Sponsors
- Individuals, Corporations, Limited Partnerships, etc.
Entities in municipalities that meet one of the following criteria:

- Received **Substantive Certification** from COAH.

- Entered into a **judicially-approved compliance agreement** to settle a Fair Share Housing Obligation.

- Subject to a **Court-Ordered Builders Remedy**.

- Is designated as a **receiving municipality** under a **Regional Contribution Agreement (RCA)**.

- Eligible to receive **state aid** pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.).

- The municipality has a **judicially-approved settlement agreement** and has been issued a final **Judgment of Compliance and Repose** for a court approved Housing Element and Fair Share Plan.
ELIGIBLE

- Rental projects
- Homeownership projects
- Innovative projects (housing & non-housing)

NON-ELIGIBLE

- Required affordable portion of an inclusionary project
- Conversion of public housing to homeownership
- Projects funded by other sources
- Projects have/is receiving funding from NJDCA or NJHMFA
- Projects containing more than 25 units
- Projects with affordability controls less than 20 years
• Application thru SAGE
• Municipal Resolution of Support
• Resolution of Support from Applicant’s Board
• Site control
• Financial commitments must be firm
• Preliminary/final site plan approvals, where applicable

• Development schedule
• Financial proforma
• Projects cannot be located in a floodplain or environmentally-sensitive area
• All units must be restricted to households earning less than 80% of AMI
• Must use NJHAS as AA
• **Gap Financing**
• **Must be permanent housing**
• **Capacity/Experience of developer**
• **Acquisition – sales price or appraisal**
• **Reasonable Cost Criteria – Square Footage**
  • Developer Fee limited to 8%
  • Soft Cost limited to 28%
  • For rentals, debt coverage ratio is minimum 1.20
• **Unit Pricing per **[UHAC](N.J.A.C. 5:80-26 et seq.)**
  • 50/50 Low-Mod Split
  • Affordability averages (52% for rental & 55% for homeownership)
  • Affirmative marketing required
  • NJHMFA Housing Resource Center must be utilized
• **Minimum Unit & Bedroom Size:**

<table>
<thead>
<tr>
<th>UNIT TYPE</th>
<th>MINIMUM UNIT SIZE</th>
<th>MINIMUM BDR SIZE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio</td>
<td>500 SF</td>
<td>-</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>600 SF</td>
<td>150 SF</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>750 SF</td>
<td>150 SF &amp; 100 SF</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>950 SF</td>
<td>150 SF &amp; 100 SF</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>1150 SF</td>
<td>150 SF &amp; 100 SF</td>
</tr>
</tbody>
</table>

• **Additional Requirements:**
  • Balanced Housing Green Building Requirements
  • Fire Suppression
  • Energy Star
• Leverage
• Participation in other NJ-funded community development
• Partnership with private sector investors
• Other public policies like sustainability, resilience, walkability, mixed-use, accessibility, etc.
• Project addressing gentrification
• Projects targeting lower income family and large families
• Longer affordability period (20+ years)
• Amenities:
  • Additional baths, porches, storage, yard, off street parking, etc.
**Funding Cycle**

- Rolling application process
- Application submitted electronically through SAGE with **2 Hard Copy Submission** of all attachments
- Staff is available for one-on-one technical assistance upon request

**Terms**

- **Rental Project:** Funds are provided as a soft second loan at 1% compounded annually with a term to match the affordability restriction period. Repayment terms are based on 50% of cash flow (0% during construction)
- **For Sale:** Construction financing at 0%
- **Innovation Category – Non-Housing:** Grant or other arrangements
• **NJDCA SAGE**: web-based Grant Management System

[https://dcasage.intelligrants.com/Portal.asp](https://dcasage.intelligrants.com/Portal.asp)
REMEMBER...

- When registering in SAGE, you **MUST** register as the entity that will own the property.

**EXAMPLE:** ABC Community Development Corporation owns a property in the name of LMNOP Urban Renewal, LLC.

Therefore, LMNOP Urban Renewal, LLC is the entity that must register in SAGE.
APPLICATION INITIATION
SECTION I: General Information
SECTION II: Project Identification
SECTION III: Site Information
SECTION IV: Development Information
SECTION V: Project Schedule
SECTION VII: Development Financing
SECTION VIII: Operations & Asset Management
CERTIFICATION SHEETS
BUDGET
SECTION I: GENERAL INFORMATION

• APPLICATION INFORMATION
  • Information
  • Municipal Category
  • Sample Municipal Resolution of Support

• MUNICIPAL WORKSHEET
  • Municipal Information & Support Information
• **FUNDING POOL**
  • Municipal Settlement, Neighborhood Partnership or Innovation

• **PROJECT LOCATION**

• **PROJECT DESCRIPTION**

• **TYPE OF DEVELOPMENT**

• **TYPE OF UNITS**
  • Includes 50/50 Low-Mod Split

• **DEVELOPMENT AMENITIES**

• **TARGET POPULATION**

• **MARKET & COMMUNITY SUPPORT**

• **SPECIAL NEEDS SERVICES**
SECTION III: SITE INFORMATION

- **SITE DESCRIPTION**
  - Site survey
  - Community map

- **SITE CONTROL**

- **SITE CONDITIONS**
  - Availability of utilities (will serve letters)
  - Local tax rates/water & sewer fees/connection fees
  - Soil conditions (where applicable)
  - Environmental Review

- **ZONING & PLANNING**
  - Engineered site plans
  - Zoning Verification
  - Planning Confirmation

- **PLANS & SPECIFICATIONS**
  - Architectural plans
  - Specs/Work Write-up
• **SPONSOR INFORMATION**
  • Description of housing experience (capacity)

• **OWNER INFORMATION**
  • Articles of Incorporation, By-Laws, Certificate of Good Standing, Partnership Agreement, IRS 501(c)3 Status, etc.

• **DEVELOPMENT TEAM**
  • Development Consultant, Attorney, Accountant, Architect, Engineer, Builder/Contractor, Management Entity, Service Provider, Other
- **Project Schedule**
  - Site
  - Construction Financing
  - Permanent Financing
  - Grants/Subsidies
  - Ownership/Entity Information
  - Construction/Rehabilitation
  - Marketing/Rent-up/Sales
  - Compliance with Federal Laws
• **CONSTRUCTION SOURCES**
  • Construction Loan Commitment (source, interest rate & amount)
  • AHTF, RCA, FHLB, HOME, CDBG, Developer Fee, Other

• **RANGE OF AFFORDABILITY (ROA)**
  • Per unit type

• **RENTALS ONLY: PROJECT PROFORMA**
  • Operating proforma

• **PROJECT SOURCES (ALL)**
  • Construction & Permanent
• **MARKETING & MANAGEMENT PLANS**
  • Property Management Plans
  • Affirmative Marketing Plan
  • Resumes/Relevant Experience

• **PROJECT UNIT BREAKDOWN**
• **TERMS & CONDITIONS**
  - Good standing with Federal and State debt
  - No direct personal/monetary benefit to organization’s governing body members
  - SAM is valid & current
  - Audits
  - Board of Directors List

• **CERTIFICATION REGARDING DEBARMENT & SUSPENSION**

• **CERTIFICATION REGARDING LOBBYING**

• **RESOLUTION OF SUPPORT OF BOARD**

• **IRS DETERMINATION**

• **ORGANIZATION CHART**
1. Montvale Family Apartments
   25 Rental Units in Montvale, NJ

2. Paterson Habitat for Humanity
   13 Homeownership Units in Paterson, NJ

3. Wayne Avenue Apartments
   4 Rental Units in Paterson, NJ

4. Mill Street Apartments
   3 Rental Units in Paterson, NJ

5. Parkside Homes
   10 Homeownership Units in Camden, NJ

6. Ocean City Scattered Site
   10 Rental Units in Ocean City, NJ

PROJECTS FUNDED - MSF & NPF
1. HCDNNJ

**NJ RENT:** support for renters impacted by financial disparities most recently exacerbated by the COVID-19 pandemic, by providing outreach, awareness, housing counseling and support service information.
• **PRE-APPLICATIONS**
  - 58 Pre-applications (MSF & NPF)
  - 6 Pre-applications (IF)

• **AWARDED**
  - Six (6) Projects totaling *65 Units* (23 For Sale and 42 Rentals)

• **ANTICIPATED AWARDS (STAFF REVIEW COMPLETE)**
  - Four (4) Projects totaling *82 Units* (22 For Sale and 60 Rentals)

• **RECENT SUBMISSION (UNDER REVIEW)**
  - Four (4) Projects totaling *99 Units* (74 For Sale and 25 Rentals)

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**STATS AS OF SEPTEMBER 2021**
**Pre-Application**

Prior to opening an application in SAGE, the Division recommends completing a Pre-Application. Upon receipt of the Pre-Application staff will schedule a one-on-one technical assistance meeting to discuss your project in more detail. For a Pre-Application, see link below:

https://www.nj.gov/dca/divisions/dhcr/offices/docs/AHTF_Pre_Application.pdf

**AHTF Guidelines**


**Balanced Housing Regulations**

https://www.nj.gov/dca/divisions/dhcr/offices/docs/bh/bhrulesfinal121107.pdf

**Uniform Housing Affordability Controls**


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**RESOURCES**
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QUESTIONS