

2013 NJ Regional Planning Summit: “Investing for the New Normal”



**Community Development Block Grant
Disaster Recovery Funding (CDBG – DR)**

Overview of CDBG

The Appropriation Laws

“necessary expenses related to disaster relief, long-term recovery, and restoration of infrastructure, housing and economic revitalization...”

What does this mean?

In the context of CDBG disaster recovery, this means that each activity **MUST**:

- Address a disaster-related impact (direct or indirect) in a Presidentially-declared county for the covered disaster,
- Be a CDBG eligible activity (according to regs and waivers)
- Meet a national objective



Programs to be Administered by the HMFA

- **Fund for Restoration of Multifamily Housing – (FRM)**
- **Sandy Special Needs Housing Fund**
- **Homebuyer Assistance Program**

Eligible Fund Location

9 most impacted counties

Atlantic	Middlesex
Bergen	Monmouth
Cape May	Ocean
Essex	Union
Hudson	



Fund for Restoration of Multifamily Housing (FRM)

(Subject to HMFA Board Approval)



What is the Fund for Restoration of Multifamily Housing (FRM)

- Provides funding to restore affordable rental housing in areas affected by Superstorm Sandy.
- Will aid in the repair and construction of multifamily rental housing for low- and moderate-income residents.
- Will be available through a stand-alone program and also in conjunction with other multifamily programs offered by the State to leverage additional resources and create more affordable rental units.
- The State has dedicated \$179,520,000

Eligible Types of Projects

- New construction
- Conversion of vacant commercial/industrial buildings
- Substantial rehabilitation of uninhabitable dwellings
- Rehabilitation of existing affordable housing

Type of Loans

- Construction Only
- Construction / Permanent
- Permanent Only



Type of Financing

- 9% or 4% Tax Credits
- Multifamily Revenue Bonds
- Conduit Bond Financing
- Stand alone (CDBG funds only)

Maximum Subsidy Loan Amounts Per Unit

- \$75,000 for 9%
- \$100,000 for 4%
- \$120,000 for stand alone (CDBG funds only)
- \$5,000,000 per project maximum



Agency Mortgage Required

- If project can carry permanent debt then first mortgage loan must be Agency provided
- Term shall equal that of the Agency mortgage financing and/or the LIHTC requirements, whichever is applicable
- Term shall also not exceed the affordable period

Affordability Controls

- Projects must be occupied by low- and moderate-income households for at least 20 years.

FRM and 9% LIHTCs

Funding Availability



9 County Round

- Minimum \$50 mil in FRM-CDBG funds

June 21st Round

- Minimum \$6 mil in LIHTC

Important Dates

- 9% Applications due for
9 County Rounds

May 31

- Awards

End of July



Sandy Special Needs Housing Fund (SSNHF)

(Subject to HMFA Board Approval)

What is the Sandy Special Needs Housing Fund

- Will provide loans to developers who will create projects within the nine counties a combination of rental housing and support services.
- Will fund permanent supportive rental housing or community residences in which some or all of the units are affordable to low- and moderate-income special needs residents.

“Special needs populations” will include individuals with mental, physical, or developmental disabilities, and other at-risk populations identified by the State.

Who is Eligible?

- Private for – profit
- Private non-profit
- Public Housing Authorities (who are)
 - Capable of developing
 - Managing the housing project
 - Providing support services to targeted special needs population



Subsidy Loan Amounts

- Maximum subsidy loan for a single project may not exceed \$2.5 Million
- Maximum subsidy loan for mixed occupancy shall not exceed \$100,000 per unit
- Available to projects receiving 9% LIHTC
- 4% LIHTC projects and set-aside Multifamily projects



Affordability Controls

Any loan agreement entered into for SSNHF-CDBG shall:

- Incorporate contractual guarantees and procedures to ensure housing units provided are for low and moderate income individuals
- Shall continue to be occupied by very low and low income individuals



Homebuyer Assistance Program

(Subject to HMFA Board Approval)

What is the Homebuyer Assistance Program?

Created to:

- Boost the purchasing power of existing households, primarily renters displaced by Sandy
- Stimulate the market for new and restored homes in the nine counties.
- Provide financial incentive for home buyers – including creating first-time buyers from renters – to purchase a home.
- Enable 500 home purchasers to buy a home within the first two years.



How does the Homebuyer Assistance Program Work?

- Qualified buyers will:
 - Identify a property they want to purchase
 - Obtain a first mortgage from a traditional source
 - Will receive a state funded second mortgage which would require no monthly payments.
- Second mortgage loans will be administered and originated by the New Jersey Home Mortgage Finance Agency (HMFA), in collaboration with intake by selected Housing Counseling Agencies and first mortgage lending by HMFA's Participating Lenders.

Who is Eligible?

- Household whose annual income is within the low and moderate income range, as defined by HUD published income calculations.
- Has a minimum credit score of 620 may be eligible.
- *For the first 90 days of program operation, only current residents of these nine most impacted counties as determined by HUD are eligible; this geographic restriction may be removed after that time.*

What will the Program Fund?



- Will provide a second mortgage of up to \$50,000 to be used for the purchase of a single family home.

How to Apply

- Local housing counseling agencies which will take applications, once designated by HMFA .
- Contact information for those agencies, once selected, will be widely publicized through the realtor community and on the DCA and HMFA websites.

Contact Information

NJHMFA website - WWW.NJHOUSING.GOV



CDBG-DR

John M. Murray

609-278-7518

Fund for Restoration of Multifamily Housing (FRM)

Marisol Rodriguez

609-278-7526

Low Income Housing Tax Credits

Deb Urban

609-278-7577

Sandy Special Needs Fund

Yirgu Wolde

609-278-7521

Superstorm Sandy Assistance website

WWW.SANDYHELP.NJ.GOV