



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

Fund for Restoration of Multifamily Housing (FRM)



(FRM) - CDBG Program Guidelines

(Subject to HMFA Board Approval)

Marisol Rodriguez

Director of Multifamily Programs and Lending



Eligible Project Locations

9 most impacted counties

Atlantic

Bergen

Cape May

Essex

Hudson

Middlesex

Monmouth

Ocean

Union



Eligible Types of Projects

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



Selection Criteria

- Located within one of the 9 most impacted counties – 25 points
- Readiness to Proceed – Start of construction and/or closing with lender or syndicator within 90 days of award - 25 points
- Deep Affordability (at least 10% of units are at or below 30% AMI) – 15 points
- County/Municipal/Local PHA Support in compliance with N.J.A.C. 5:80 – 33.15 (a)4 - 10 points
- Minimum of 5% Supportive Housing Units - 10 points
- Mixed Income (minimum 20% affordable) - 10 points
- CDBG Efficiency (requesting less than the per unit maximum) – 10 points

Applicants must score at least 55 points to be eligible for FRM-CDBG funds, then funds will be awarded as follows:

- 9% projects: score high enough to win tax credits
- 4% and stand-alone (CDBG funds only) projects: pipeline



Maximum Subsidy Loan Amounts

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

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)

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

Interest Rate

- 0% during construction
- 1% at permanent

Fees

- (TBD) % administrative fee charged of loan amount

Affordability Controls

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

Cash Flow Repayment

- No interest shall begin accruing until the Amortization date of April 2016.
- Repayment shall occur annually and shall equal to 50% of available cash flow (or 25% of cash flow for SNHTF Projects) remaining after the payment of operating expenses, required reserves and amortized mortgage debt and at the earlier of 10 years or the payment of the deferred developer's fee.

Approvals

- The DCA Commissioner and CDBG Committee



Other Requirements

- Compliances with all applicable federal and/or state statutory and regulatory requirements concerning, but not limited to
- Environmental review
- Fair Housing
- Davis-Bacon Act
- Equal opportunity requirements
- Compliance with the Housing Resource Center registration requirements
- Priority for FEMA registrants or other evidence of displacement during the 1st 3 months of lease -up
- Other labor standards provisions
- Other CDBG financial requirement



FRM-CDBG and 9% LIHTCs

(subject to HMFA Board Approval)

Debra Urban
Director of Tax Credit Services

GOALS

- Timely expenditure of FRM-CDBG funds
- Leveraging of limited resources
- Expedited availability of affordable housing



9 COUNTY ROUND

Ocean

Monmouth

Atlantic

Hudson

Bergen

Middlesex

Cape May

Union

Essex



IMPORTANT DATES

- HMFA Board meeting for
Mortgage Commitments May 15
- 9% Applications due for
9 County Rounds May 31
- Awards End of July

FRM-CDBG and 9% Credit Funding Availability

9 County Round

- Minimum \$50 mil in FRM-CDBG funds

June 21st Round

- Minimum \$6 mil in LIHTC

9 County Round Rules

- Substantially similar to re-proposed 2013 QAP
- Section 42(m)(1)(A)(iv) adjustments

9 County Round Adjustments

- 10% increase in Total Development Cost Caps
- Preliminary Site Plan Approval
 - 5 point category in lieu of eligibility requirement
- Term Sheet/LOI for Tax Credit Equity only
 - Accepted for eligibility but NOT for points

9 County Round Adjustments (cont'd)

- 2 point option under Tax Abatement
 - Letter in support of tax abatement
 - Minimum 15 year fixed rate
 - Letter must state anticipated rate, term and approval date of PILOT
- MBE/WBE point category is eliminated

9 County Round Adjustments (cont'd)

- Geographic distribution of awards (if necessary)
- Adjustments of FRM-CDBG and tax credit amounts (if necessary)



Questions?

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

Supportive Housing Assistance Relief Program

Yirgu Wolde

609-278-7521