



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

Sandy Special Needs Housing Fund (SSNHF)

Program Overview



The Sandy Special Needs Housing Fund (SSNHF) provides capital subsidies in the form of loans to developers of permanent supportive housing to low and moderate income special needs populations.

Eligible Applicants



- 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

Eligible Project Locations



9 Counties

- Atlantic
- Bergen
- Cape May
- Essex
- Hudson
- Middlesex
- Monmouth
- Ocean
- Union

Eligible Types of Projects



- New construction
- Moderate and Substantial Rehabilitation of existing building (s)
- Conversion of buildings

Selection Criteria



- Located within one of the nine (9) counties – 25 points
- 100% special needs units with supportive services – 10 points
- CDBG Efficiency (requesting less than the per unit maximum and/or less than 80% of the total development cost in SSNHF subsidy) – 20 points
- Meet the State of New Jersey's determined priorities described in the targeted county's Continuum of Care Plan , as applicable – 10 points
- Deep Affordability (at least 75% of units are at or below 30%AMI) – 15 points
- Readiness to proceed-start of construction within 90 days of award – 20 points

Applicants must score at least 55 points to be eligible for SSNHF-CDBG funds

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

Types of Available Funding



- Construction loans to permanent financing
- Permanent loans
- Loans in the form of a grant may be provided if applicant provides documentation confirming to HMFA's satisfaction that another funding source requires SSNHF-CDBG funds be in the form of a grant or the HMFA requires the funds to be a grant



NOTE

Project Sponsors must demonstrate that SSNHF-CDBG funds committed to the project(s) must be fully expended prior to using other funding sources within the allowable timeframe of two (2) years, which is the date of approval of NJDCA-CDBG-DR Action Plan by HUD

Mortgage Lien Status



ALL SSNHF-CDBG loans will be secured by a 1st mortgage lien.

Whenever a 1st lien position is determined not to be available the HMFA will allow its loan to be subordinate.

Financing Term



- 30 years
- Minimum of 20 years
- Maximum of 40 years
- Project must be occupied by the targeted special needs population for the term of the mortgage loan

Mortgage Interest Rate



- SSNHF-CDBG subsidy loan provided during construction shall be at a 0% interest rate
- Cash flow loans may be available under SSNHF – CDBG program

Cash Flow Repayments



- No interest shall begin accruing until the Amortization date of April 2016
- Repayment shall occur annually and shall equal to 25% of available cash flow remaining after the payment of operating expenses, required reserves and amortized mortgage debt.

Approvals

- The DCA Commissioner and CDBG Committee

Tenant Income Requirements



- Projects funded by SSNHF-CDBG must meet the requirements of the **Sandy Special Needs Housing Fund Guidelines**

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

Other Underwriting



Compliances with all applicable federal and/or state statutory and regulatory requirements concerning but not limited to

- Environmental review
- Fair share housing
- Section 3 of the Housing and Urban Development Act of 1968
- the Davis Bacon Act
- Equal opportunity requirements
- Other labor standards provisions
- Other CDBG financial requirements

Questions ?



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