

MEMORANDUM OF UNDERSTANDING

BETWEEN

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
AND**

**NEW JERSEY DEPARTMENT OF HUMAN SERVICES
AND**

[NAME OF MUNICIPALITY]

THIS MEMORANDUM OF UNDERSTANDING (“MOU”) is made this (Date and Year) by and between

The **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**, a body corporate and politic of the State of New Jersey (“HMFA”), with its principal place of business at 637 South Clinton Avenue, Trenton, NJ 08650-2085;

AND

The **STATE OF NEW JERSEY DEPARTMENT OF HUMAN SERVICES** a principal department established in the Executive Branch of government of the State of New Jersey (“DHS”), with its principal place of business at 222 South Warren Street, Trenton, NJ 08625-0700;

AND

(NAME OF MUNICIPALITY), a municipal corporation in (Name of County), State of New Jersey, with its principal place of business at (address) (the “Municipality”).

The HMFA, DHS and of the Municipality are referred to collectively as the “Parties.”

PURPOSE:

The purpose of this MOU is to coordinate the efforts of the parties to create appropriate housing for individuals with developmental disabilities in the Municipality as may qualify under the SNHPLP guidelines.

DEFINITIONS:

The terms below, whether capitalized or not, shall have the following meanings for purposes of this MOU:

Special Needs Housing Partnership Loan Program or SNHPLP: The financing program through which the New Jersey Department of Community Affairs (“DCA”), HMFA and DHS,

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collectively work to expand housing opportunities and expedite the process of placing developmentally disabled individuals into community-based supportive housing.

Qualified Developer: A housing developer that has been screened and approved by NJHMFA, DCA and DHS staff.

Unit: A bedroom housing one individual with a developmental disability.

UNDERSTANDING:

The Municipality has Affordable Housing Trust Fund (“AHTF”) monies that it chooses to allocate for the purpose described in this MOU. AHTF monies transferred to the HMFA will be made available to one or more qualified developers who have identified properties in the Municipality to finance appropriate housing for individuals with developmental disabilities in the Municipality as may qualify under the SNHPLP guidelines. The aggregate of governmental subsidies that may be used to acquire and construct or rehabilitate one house with three- or four-bedrooms shall be capped at \$125,000 per bedroom or \$500,000 altogether, whichever is less and excluding the cost of the sprinkler system, which will be funded by DHS, subject to appropriation.

For each SNHPLP project in the Municipality, the HMFA or DCA will match the Municipality’s trust fund contribution dollar for dollar, up to a maximum contribution of \$250,000. Some preference for local residents may be given, as long as the individual meets DHS’s Division of Developmental Disabilities’ referral process and housing policies.

The Municipality agrees to vest oversight for the expenditure of AHTF monies so transferred for the development of said residences with the HMFA, an entity that has experience and an established process that ensures the completion of the affordable, supportive housing.

OR

The Municipality has Affordable Housing Trust Fund (“ATHF”) monies that it chooses to allocate for the purpose described in this MOU. The Municipality will keep these funds in a separate account for the sole purpose of funding one or more projects in the Municipality that are participating in the SNHPLP. These AHTF monies will be made available to one or more Special Needs Housing Partnership Loan Program qualified developers who have identified properties in the Municipality to acquire for conversion to community residences for individuals with developmental disabilities. The aggregate of governmental subsidies that may be used to acquire and construct or rehabilitate one house with three- or four- bedrooms shall be capped at \$125,000 per bedroom or \$500,000 altogether, whichever is less and excluding the cost of the sprinkler system, which will be funded by DHS, subject to appropriation.

For each SNHPLP project in the Municipality, the HMFA or DCA will match the Municipality’s trust fund contribution dollar for dollar, up to a maximum contribution of \$250,000. Some preference for local residents may be given, as long as the individual meets DHS’s Division of Developmental Disabilities’ referral process and housing policies.

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All other requirements of this MOU shall remain in effect and full force except for items #1, #2 and #3 in the Process Section outlined below.

PROCESS:

1. Within 15 business days of the execution of this MOU, the Municipality shall transfer \$_____ from its current Affordable Housing Trust Fund of \$_____ to HMFA for the purpose of funding the purchase and conversion of existing ranch style homes and other types of housing that may be approved by the SNHPLP.
2. HMFA will deposit and hold the Municipality's AHTF money in a separate escrow account for the Municipality, identifiable from any other funds.
3. The HMFA and the Municipality will acknowledge the transfer of such money by a letter of confirmation signed by HMFA's Executive Director or by executing an escrow agreement.
4. Either the Municipality or a qualified developer, with the Municipality's written consent, may identify the property or properties selected for acquisition and renovation.
5. The Municipality shall approve the property selection prior to the purchase of any house intended to fulfill the requirements of the Special Needs Housing Partnership Loan Program; however, such approval shall not bind the DCA, HMFA, and/or DHS with respect to accepting the project or the developer into the SNHPLP or the suitability of the identified property for the intended population.
6. HMFA will coordinate the terms by which DHS will provide operational and service funding for the project, and/or terms by which a service provider will demonstrate a source or sources of operating and service subsidy other than DHS.
7. If the contemplated qualified developer is unable to enter into a contract to purchase the subject property within 120 days, the municipality may identify another property or another developer.
8. The disbursement of funds will occur at closing, unless otherwise subject to an escrow agreement with the developer, with ATHF monies being drawn down first.
9. The municipality shall require the developer to include, in any transfer of ownership, a deed restriction maintaining the use of the premises and any of the units therein as a residence for the sole purpose of housing developmentally disabled individuals for a minimum term of 20 years (beginning from the date of loan closing) or the term required in the HMFA loan documents, whichever is longer.
10. Once the property is acquired, HMFA shall issue a close-out report including, but not limited to, the property location, amount awarded to the developer and any other relevant information.

This MOU, which may be executed in counterparts, shall not be effective until the date by which the last signatory has executed, which date shall be inserted above by that last signatory.

[NAME OF MUNICIPALITY]

**New Jersey Housing and Mortgage
Finance Agency**

By: _____

By: _____

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(Name)
(Title)

Date: _____

State of New Jersey
Department of Human Services

(Name)
(Title)

Date: _____

By: _____
(Name)
(Title)

Date: _____

This Memorandum of Understanding
has been reviewed and approved as to form.

JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY

By:
Deputy Attorney General