Affordable Housing Production

Funding Programs for Permanent Housing

NJ DEPARTMENT OF CommunityAffairs

Funding Programs for Permanent Housing

FEDERAL		STATE
NATIONAL HOUSING TRUST FUND (NHTF)	HOME CHDO & HPI (HOME)	AFFORDABLE HOUSING TRUST FUND (AHTF)
		*NJ HEALTHY HOMES INITIATIVE (NJHHI)**

DIVISION OF HOUSING & COMMUNITY RESOURCES

National Housing Trust Fund

$ 1,000,000

Maximum Project Award

For acquisition, construction, or rehabilitation of up to (4) rental units for extremely low-income special needs households

*Eligible households must earn **less than 30% of Area Median Income (AMI)***
Units are paired with Project Based Vouchers

NHTF Special Needs Populations

The following are the designated special needs populations:

- HH with serious **mental illness** diagnoses
- HH Victims and survivors of **domestic violence**
- **Homeless Individuals & Families**
- HH Disabled **Homeless Veterans**
- HH with **Physical or Developmental Disabilities**
- **Youth aging out** of foster care, runaway or homeless youth
- HH who are **Senior citizens** (62+)
- HH who are **re-entering after incarceration** in a correctional facility
- HH with **HIV/AIDS**

NHTF Ineligible Project Types

*The following Project Types are **not eligible** for NHTF funding*

Applicants should review these exclusions carefully before applying

- Congregate/Shared Housing, Single Room Occupancy (SRO), or Mobile Homes
- Mixed-Use or Mixed-Income Projects
- Vacant Land Acquisition Without Development
- Currently Occupied Rental Units
- Homeownership Projects
- Projects Receiving Other DCA or NJHMFA Funding

Loan Terms

Loan Type	Deferred loan, held by security mortgage
Interest Rate	0% interest — no interest
Cash Flow	0% cash flow requirement
Terms and Forgiveness	30-year term matching the restricted affordability period; loan is forgiven at end of term

NHTF

Developer:	**GFM Properties Inc.**
City:	**Midland Park**
Tenure:	**Rental (PSH)**
Population:	**Homeless/Disabled Veterans**
Units:	**4 Units**
Cost:	**$2,109,537**
NHTF:	**$1,720,000**
Completed:	**2025**

HOME CHDO & HPI

HOME CHDO & HPI

Supports the creation of up to eleven (11) units for low and moderate-income households

Maximum Project Award Varies based on unit bedroom count × number of units and cannot exceed the project's verified funding gap

Maximum Per Unit Subsidy Limits

Bedroom Count	*Subsidy Limit*
0 Bedroom	*$181,488*
1 Bedroom	*$194,847*
2 Bedroom	*$252,993*
3 Bedroom	*$327,292*
4 Bedroom	*$359,263*

What is CHDO?

A Community Housing Development Organization (CHDO) is a private, non-profit, community-based service organization with the staff capacity to develop affordable housing in the communities it serves.

Organizational Structure

- *Safe, decent housing must be a core activity*
- *Have a clearly defined service area*
- *At least 1/3 of board represent LMI community*
- *No more than 1/3 of board may be public officials or PJ/State recipients*
- *Limits on board if the non-profit is related to a for-profit organization*

Capacity & Experience

- *Minimum 1-year community service experience*
- *Demonstrated capacity in similar projects*
- *Adequate financial systems and controls meeting 2 CFR 200 standards*

CHDO-Specific Funding

- *15% of annual HOME allocation is set aside for CHDO projects*
- *CHDOs may also receive operating support and project-specific site control/seed money loans*

HOME Ineligible Uses

*The following used are **not permitted** under HOME CHDO and HPI funding.*

Applicants must ensure proposed activities do not fall with in these exclusions prior to submission

- Capitalized Reserve Accounts
- Project or Tenant Based Rental Assistance
- Development, Operations or Modernization of Public Housing
- Projects Currently or Anticipating DCA/HPU or NJHMFA Funding
- Previously funded HOME Projects Under Affordable Controls
- Acquisition of Vacant Land Without Development
- Pay Delinquent Taxes, Fees or Charges

HOME Rental Projects

Loan Terms

Loan Type	Deferred loan, held by security mortgage
Interest Rate	0% interest — no interest
Cash Flow	0% cash flow requirement
Terms and Forgiveness	Term matching the restricted affordability period Loan is forgiven at end of term Rehabilitation – 15 years New Construction – 20 years

Environmental Review Overview

HOME CHDO & HPI

- *Subject to Part 58 Environmental Review (Process Based)*
- *Rehabilitation (no increase units/building area or convert from non-residential) Lower Tier Review, approximately **30–45 days** to complete*
- *New Construction, Rehab with increased units/area, flood zone: conversion from non-residential require Environmental Assessment level requires outside consultation, public notice & HUD approval. Approx. **60–120 days;***

NHTF

- *Follows CPHD Notice 16-14 Housing Trust Fund Environmental Provisions (Outcome Based)*
- *Approximately **15–30 days** to complete*
- *Project must comply with all Statutory Checklist provisions*
- *Projects with **5+ units** require a Phase I ESA (ASTM); a Phase II ESA required if concerns are identified*
- *If project has other HUD funding (HOME, CDBG), **Part 58 environment process must be followed***

Environmental Review Choice Limiting Actions – HOME

The following activities **MAY NOT occur** until the Environmental Review is completed — including HUD approval where required.

- *Acquisition of land or improvements*
- *Leasing structures on project site*
- *Ground disturbance*
- *Moving structures*
- *Utility or infrastructure installation*
- *Binding bids for any construction*
- *Demolition*
- *Rehabilitation*
- *New construction*
- *Environmental remediation*
- *Any other activity with physical effect on the project site*

Affordable Housing Trust Fund

$ 3,000,000

Maximum Project Award

For creation of up to twenty-five (25) rental or homeownership units

*Serving Low and Moderate Income Households (**less than 80% of Area Median Income**)*

AHTF Ineligible Project Types

*The following Project Types are **not eligible** for AHTF funding*

Applicants should review these exclusions carefully before applying

- Required Affordable Portion of an Inclusionary Project
- Projects Containing More than 25 Units
- Conversion of Public Housing to Homeownership
- Projects with Affordability Controls Less than 20 Years
- Projects Receiving Other DCA or NJHMFA Funding

Balanced Housing & UHAC
AHTF

- *Gap financing structure required*
- *Capacity and Experience of the Developer*
- *Reasonable Cost Criteria per square footage (BH)*
  - *Developer Fee limited to **8%***
  - *Soft Cost limited to **28%***
  - *Minimum Debt Coverage Ratio (DCR): **1.20** (rentals)*
- *Unit pricing per **UHAC** (N.J.A.C. 5:80-26.1 et seq.)*
  - *50/50 Mod Split*
  - *Affordability averages (52% rental/55% homeownership) & Bedroom Distribution*
  - *Affirmative Marketing/NJHAS AA Required*
  - *NJHMFA Housing Resource Center*

Unit Type	*Min. Unit Size*	*Min. Bdrm Size*
0 Bedroom	*500 SF*	*--*
1 Bedroom	*600 SF*	*150 SF*
2 Bedroom	*750 SF*	*150 SE & 100 SF*
3 Bedroom	*950 SF*	*150 SE & 100 SF*
4 Bedroom	*1,150 SF*	*150 SE & 100 SF*

Additional Requirements

- *Minimum unit & bedroom size requirements*
- *Balanced Housing Green Building Requirements*
- *Automatic Fire Suppression system*
- *Energy Star Certification*
- *Central Air Conditioning*
- *Quality Materials & Design*

AHTF Programs

Loan Terms

Rental: Loan Type

Funds are Provided as Soft Second Loan

Interest Rate

1% interest Compounded Annually

Terms

Term matching the restricted affordability period

Repayment based on 50% of Cashflow; 0% During Construction

For Sale: Terms

0% Construction Financing

Repayment Mortgage for Homeowner

AHTF

Developer: PCBIP

City: Camden City

Tenure: Homeownership

Units: 10 Units

Cost: $4,132,690

AHTF: $2,290,639

Completed: 2024

NJ Healthy Homes Initiative

$ 100,000,000

Allocation

Funds from HCBS MEDICAID
Spend Plan Via MOU Between NJDMAHS and NJDCA

Capital Fund

Repair & Replacement Fund

Rental Unit Creation
Reserved for Medicaid Members
*Serving Very Low Income Households (**less than 30% of Area Median Income**)*

NJ Healthy Homes Initiative

Capital Fund

- ***0% Advanced Construction Financing***
  (up to 90% of funds)

- *Per-unit cost basis — no cap, but subject to Reasonable Cost standards*

R & R Fund

Capitalized *upfront capital reserve funds for:*

- *Maintenance contracts*
- *Maintenance Repairs*
- *Reserves*

Project-Based SRAP Vouchers

NJHHI Criteria

Dedicated Medicaid Units

Rental units exclusively reserved for Medicaid Members earning **less than 30% AMI**

HCBS Location Standards

Site must conform to **Home & Community Based Services (HCBS)** location requirements

ADA Accessibility Priority

Units must be at minimum adaptable units
(Including but not limited to first-floor and/or elevator access, accessible floor plans, and accessible ingress/egress

Developer Experience

Demonstrated experience serving **similar special needs populations**

Integrated Community Projects

Integrated into community projects — mixed income and mixed use considered

NJHHI Criteria

Layer Financing

Permitted to be combined with other State and Federal Programs (LIHTC, Aspire, Inclusionary etc.)

Managed Care Organization Referrals

Referral of Residents Provided by MCOs

NJ MCO Organizations

- Aetna Better Health of NJ
- Wellpoint (formerly AMERIGROUP NJ)
- Horizon NJ Health
- UnitedHealthcare Community Plan
- Fidelis Care (formerly WellCare of NJ)

NJHHI Programs

Loan Terms

Capital Fund: Loan Type

Construction Loan at per unit costs held by security mortgage

Interest Rate

0% interest – 0% Cashflow

Terms and Forgiveness

Term matching the restricted affordability period (30 years)

Mortgage Provision Loan Forgiveness– so long as occupied by eligible household (Medicaid/<30% AMI)

R & R Fund Loan Type

Funds are provided as Capitalized Escrow (to be held by the developer)

Compliance

Developer must submit annual financial statements/audits confirming eligible use. **Ineligible funds must be replaced.**

NJHOMES Choice Tool

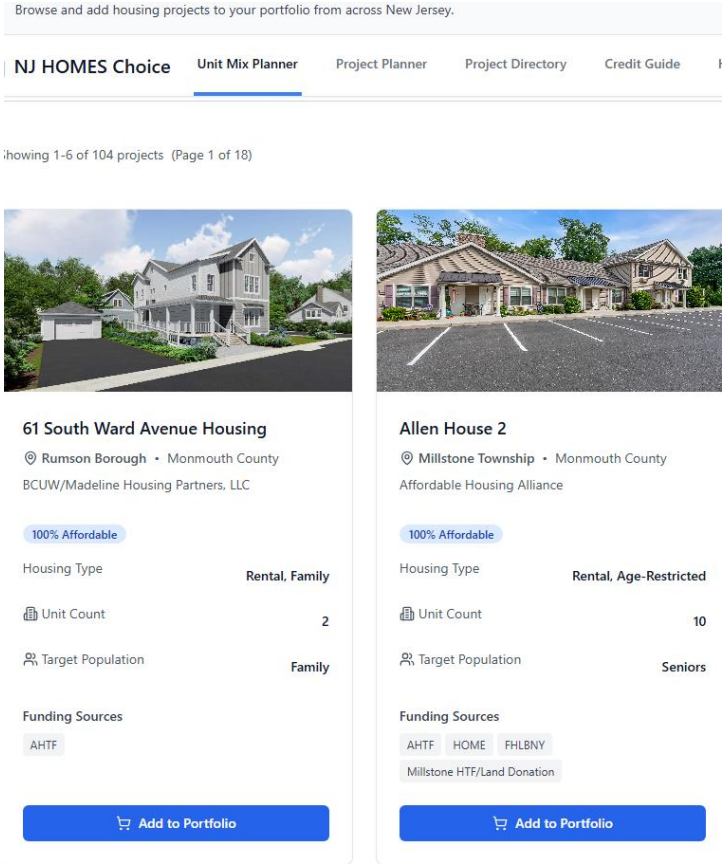
*The **NJ Homes Choice Planning Tool** is a publicly available resource designed to help developers, nonprofits, and administrators identify housing opportunities and project sites across New Jersey.*

Explore Project Examples

Browse completed and pipeline projects to inform your development strategy.

Access the Tool

njhomes.dca.nj.gov



Housing Production Unit Team

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THANK YOU

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