

RESILIENT MULTIFAMILY HOUSING PROGRAM GUIDELINES (RMHP)

In May 2022, the U.S. Department of Housing and Urban Development (HUD) allocated to the State of New Jersey \$228,346,000 of Community Development Block Grant-Disaster Recovery (“CDBG-DR”) funding, made available through the Disaster Relief Supplemental Appropriations Act of 2022 (Pub. L. 117-43). In January 2023, HUD announced that the State of New Jersey would receive an additional \$149,229,000 in CDBG-DR funding to support long-term recovery and mitigation efforts following Tropical Storm Ida (DR-4614). This allocation was made available through the Continuing Appropriations Act, 2023 (Pub. L. 117-180).

Funding for the Resilient Multifamily Housing Program (“RMHP”) is provided through HUD’s CDBG-DR Program, as appropriated by Congress as referenced above.

As a subrecipient of CDBG-DR funds from the New Jersey Department of Community Affairs (“DCA”), the New Jersey Housing and Mortgage Finance Agency (the “Agency”) has been charged with administration of the RMHP. The Agency received a total of \$30 million in RMHP funds under DCA’s Action Plan Amendment 4 (“AP4”) to provide financial assistance for multifamily housing resiliency projects.

Program Overview:

Through this program, the State will address unmet housing recovery needs by providing financial assistance for Tropical Storm Ida recovery, resiliency projects, and climate change adaptations.

1. Reduce or eliminate the long-term risk of loss of life, injury, damage to and loss of property, and suffering and hardship by lessening the impact of future disasters
2. Recover from the disaster impacts of Tropical Storm Ida
3. Protect publicly funded recovery investments in the impacted community

Eligible properties can receive a maximum of \$3.5 million per project, subject to the availability of funds.

Application Process:

Eligible properties must submit an application, found on the Agency website. The application will be completed in two parts.

Part 1 will consist of project eligibility. An eligible project must be an Agency financed project in good standing with Asset Management, located in an eligible county as indicated by Target Areas and must provide a project narrative indicating the need and proposal for resiliency. If located in a Special Flood Hazard Area, the property will need to self-certify that the project has not received federal flood disaster assistance prior to application. Agency staff will review the Part 1 application to determine project eligibility. Applicants will be notified, if approved, to proceed to Part 2.

Part 2 of the application will comprise of submission of an environmental review and a 30% scope of work. A Phase 1 environmental review must be completed if the existing Phase 1 is older than 5 years. The 30% design scope of work consists of a design professional agreement, contractor agreement, detailed scope of work, proposed budget, materials, mitigation or resiliency measures, and resiliency metrics to prove impact.

Completed Applications will be reviewed on a first come, first serve basis and preliminary approval will be determined based on a project having demonstrated that it meets all eligibility criteria. Once staff has completed the review to determine eligibility, the request for funding commitment will be presented to the NJHMFA Board for approval.

PLEASE NOTE: PROJECTS THAT DO NOT RECEIVE A FUNDING COMMITMENT WILL BE INELGIBLE FOR REIMBURSEMENT OF COSTS INCURRED DURING THE APPLICATION PROCESS

1. Eligibility Criteria	<p>Eligible costs consist of investments related to protective measures and improvements designed to safeguard properties located within targeted areas, in an effort to prevent or mitigate storm-related damage. This includes work to protect the main building structure, building systems and equipment, as well as enhancements to the surrounding site grounds that are essential for occupant safety and proper property function to better prepare for future risks and hazards. A detailed analysis must be provided with the application to justify the necessity of the proposed protective measures. A project narrative must be submitted with Part 1 of the application to move forward. Part 2 will require a detailed scope of work.</p> <p>Eligible costs include, but are not limited to:</p> <ul style="list-style-type: none"> • Elevating and/or floodproofing buildings • Moving equipment to safer parts of the property • Installing emergency generators and/or on-site renewable generation • Hardening sites • Addition of stormwater mitigation infrastructure such as berms; vegetation; bioswales; regrading; green roofs; blue roofs; pervious pavement; rain gardens; creating safe refuges; and/or performing other necessary exterior work
2. Eligible Properties	<p>Eligible properties must be located within the counties most impacted and distressed by Tropical Storm Ida as indicated by Target Areas. Properties must be NJHMFA agency financed, excluding Performance Based Contract Administration (PBCA) properties. Properties must be in good standing with Asset Management</p>
3. Per Property/Unit Assistance	<p>No per unit cap, maximum of \$3.5 million per property. Subject to availability of funds.</p>

4. Application Approval and Award Process	Eligible projects will be presented to the HMFA Board for approval.
5. Financing Term	<p>All activities funded under the award must be completed by December 31, 2028.</p> <p>Unless otherwise authorized, the financing term of CDBG-DR loan shall be no longer than 5 years, but in no event shall the term of the CDBG-DR subsidy loan exceed the affordability period if the affordability period on or remaining on the project is less than 5 years.</p>
6. Mortgage Interest Rate	CDBG-DR funding provided during construction shall be at a 0% interest rate.
7. Repayment	Repayment of a RMHP CDBG DR loan for any project shall occur annually and shall equal a forgiveness of 20% of the original principal balance provided the project remains in compliance with RMHP CDBG-DR requirements.
8. Security, Collateral and Lien Status	Each loan will be secured by a note and mortgage on the project. Such liens will be subordinate to existing liens on the project.
9. Other Requirements	<p>Projects must follow HUD's CPD Green Building Retrofit Checklist to the extent applicable to the building type being retrofitted and to the rehabilitation work undertaken using CDBG-DR Resources.</p> <p>If located within a Special Flood Hazard Area, the project must utilize CDGBG-DR funds to address flooding within the floodplain through eligible mitigation efforts outlined in the program. A Flood Hazard area is defined as being within FEMA's identified 100-year or 500-year flood plain. In accordance with 24 C.F.R. § 58.6(b), the Agency agrees that it will not make available grant funds in a Special Flood Hazard Area to an Eligible Applicant that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the Eligible Applicant failed to obtain and maintain such insurance. Obtaining and maintaining flood insurance is required.</p> <p>Any substantial rehabilitation of a building with more than four rental units must include installation of broadband infrastructure, except when determined infeasible.</p> <p>A Citizen Participation Plan is to be conducted prior to construction as specified by HUD (FR-5696-N01 and 6326-N-01) and implementation strategies stated by DCA. A minimum of two public hearings are</p>

	<p>required for obtaining resident views and questions. The Agency is required to post information on all projects on its website.</p> <p>Environmental Review (ER) is required and can include Environmental Assessments, CEST (C<u>a</u>tegorically <u>E</u>xcluded, <u>S</u>ubject <u>T</u>o), and Environmental Impact Statements. If a property is awarded funding, CDBG-DR funds can be used for this review.</p> <p>The applicant shall ensure that the project shall comply with all applicable federal and/or State statutory and regulatory requirements concerning, but not limited to, environmental review, fair housing, Section 3 of the Housing and Urban Development Act of 1968 compliance, compliance with the Davis-Bacon Act as well as all other labor standards provisions, and equal opportunity requirements and compliance with the Office of Management and Budget (“OMB”) Circular A-87, program income, and other CDBG-DR financial requirements.</p>
10.Affordability Controls	<p>Any loan agreement entered into for CDBG-DR subsidy funds shall incorporate deed restrictions regarding occupancy to ensure that any unit of housing provided for low- and moderate-income households shall continue to be occupied by low- and moderate-income households. The affordability restrictions shall remain in place for at least the term of the CDBG-DR subsidy loan.</p> <p>In addition to the above, projects funded by CDBG-DR must meet the requirements of the Agency’s Asset Management Division.</p>
12.Target Areas	<p>Bergen, Essex, Gloucester, Hudson, Hunterdon, Mercer, Middlesex, Morris, Passaic, Somerset, Union and Warren Counties as defined by HUD.</p>