

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (HMFA)

HOSPITAL PARTNERSHIP SUBSIDY PILOT PROGRAM

Guidelines

Adopted: September 20, 2018

1. Program Overview	The New Jersey Housing and Mortgage Finance Agency (“HMFA”) Hospital Partnership Subsidy Pilot Program (the “Program”) leverages hospital equity in concert with the 4% Low Income Housing Tax Credit program to create affordable housing developments on or near hospital campuses with a supportive housing set-aside targeted towards frequent users of hospital services.
2. Program Goal	The purpose of such the Program is to leverage private funding sources to create much needed affordable and supportive housing while also providing better services for frequent users of emergency services and helping those individuals to enjoy a better quality of life by reducing unnecessary or avoidable emergency room and/or hospital visits. The Program also recognizes the role of hospitals as anchor institutions in their local communities and leverages their presence to stabilize the surrounding neighborhood. Recognizing the high cost associated with the frequent use of emergency services, hospitals are incentivized to participate in the Program and may save significant funds in avoided emergency room and in-patient costs after patients receive permanent supportive housing. There are many examples from across the country of unique public-private financing partnerships undertaking these types of projects with great success.
3. Target Areas	Statewide
4. Program Allocation	\$12 million (Subsidy)
5. Property Eligibility Criteria	Eligible projects must be structured as a partnership between a developer and the participating hospital. The projects must include funding contributions from the participating hospital. The development must include a set-aside of units for supportive housing and/or frequent users of hospital services. Properties must adhere to the all requirements of the Multifamily Underwriting Guidelines and Financing Policy.
6. Developer/Partner (Borrower)	For-profit or non-profit housing developer

<p>7. Statement of Interest</p>	<p>HMFA will issue a notice of funding availability to all hospitals located in New Jersey of the availability of the Program. Interested hospitals will be required to submit a Statement of Interest. The Statement of Interest will include:</p> <ul style="list-style-type: none"> • Project Location <ul style="list-style-type: none"> - Description of project site’s proximity to hospital facilities - The hospital’s ownership interest in land or real estate included in the project - Description of project site’s proximity to public transportation - Description of project site’s proximity to employment opportunities - Description of project site’s proximity to social services and health care services • Information on the Developer Partner selected by the Hospital • Total number of units in the proposed project • Type of development (100% Affordable, Mixed Income, Mixed Use) • Additional elements, such as commercial space or health care facilities • Hospital contribution as either financed or equity • Other sources of funds (if applicable) • A statement regarding readiness to proceed • Narrative of the overall project including a description of social services and amenities to be provided to the tenants. <p>After receipt of the Statement of Interest, the HMFA will schedule in-person meetings with the hospitals and their developer partner to discuss, in detail, the program and the underwriting/lending process.</p>
<p>8. Application Review and Approval Process</p>	<p>The housing developer partner (“Borrower”) will apply to the HMFA for the financing needed to develop the housing project. HMFA staff will review all documentation submitted with the financing application and review the submission in accordance with the Multifamily Underwriting Guidelines and Financing Policy. HMFA staff will make a recommendation for financing approval to the members of the HMFA. Upon approval by the HMFA, HMFA staff will issue a commitment of funding to the Borrower.</p>
<p>9. Structure of Assistance</p>	<p>The project financing will be structured using 4% Low Income Housing Tax Credit equity, tax-exempt debt, and a contribution from the hospital. The hospital contribution may be contributed directly or may be provided in the form of an HMFA second note subsidy loan.</p>
<p>10. Non-Monetary Contribution by Hospitals</p>	<p>Hospital partners are additionally encouraged to contribute land or an existing structure(s). The value of the land/structure(s) is not included as part of the subsidy contribution from the hospital discussed above.</p>
<p>11. Per Property Assistance</p>	<p>The HMFA will provide subsidy funding in an amount up to \$4 million per project. The subsidy will be structured as a cash flow loan payable in full at the end of the mortgage term. Requests for subsidy funding above \$4 million per</p>

	project will be considered on a case by case basis and subject to approval by the HMFA board.
12. Estimated Number Of Housing Partnership Units	Three to four housing projects; approximately 180-240 housing units.