

## NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

### **CONDUIT CONSTRUCTION ONLY FINANCING and CONSTRUCTION AND PERMANENT FINANCING DOCUMENT CHECKLIST**

The Agency intends to provide financing through the sale of taxable, tax-exempt bonds or any other funds available to the Agency. The requirements listed in Section I must be satisfied prior to **Declaration of Intent**. The requirements listed in Section II must be satisfied prior to a **Mortgage Commitment**. The requirements in Section III must be satisfied prior to the **Bond Document Approval**. The requirements in Section IV must be satisfied prior to **Bond sale/Loan Closing**.

Please note that this checklist document is to be used for reference purpose only. All the required documents must be uploaded electronically at the NJHMFA **Multifamily Housing and Supportive Services Lending Portal** (<https://developers.njhousing.gov/>) unless stated otherwise.

#### **Code to Document Requirements:**

\* - *An asterisk indicates that a New Jersey Housing and Mortgage Financing Agency form document must be used*

*All items are required to be submitted by the Borrower unless otherwise noted.*

#### **I. DECLARATION OF INTENT**

- \_\_\_ UNIAP Application\*
- \_\_\_ Project Narrative, including Overview of Scope of Work.
- \_\_\_ Preliminary Proforma/Cash Flow (Agency Form 10)\*
- \_\_\_ General Site Location Map & Directions
- \_\_\_ Resume for Sponsor
  
- \_\_\_ Evidence of Site Control
  - \_\_\_ Deed
  - \_\_\_ Option Agreement
  - \_\_\_ Contract of Sale
  - \_\_\_ Redevelopment Agreement
  - \_\_\_ Ground Lease or Option to Enter into Ground Lease (**Ground Lease Fee**)
  - \_\_\_ Condominium Requirements, if applicable
    - \_\_\_ Condominium Association By-laws
    - \_\_\_ Master Deed
    - \_\_\_ Certificate of Formation of Condominium Association
    - \_\_\_ Other
  
- \_\_\_ Financing Commitments (**List All**) (**evidence for any and all sources included in underwriting that is acceptable to HMFA**)
  
- \_\_\_ Cost Comparison (if applicable)

\_\_\_\_\_ Preliminary CNA, Scope of Work (*Preservation projects only*)

\_\_\_\_\_ Resolution of Need from Municipality\* (may be included in municipal resolution granting payments in lieu of taxes) The Sponsor must obtain a resolution of need from the municipality or a municipal ordinance and letter from the municipal clerk authorized under the provisions of P.L. 2024, c.5, in which the project will be located reciting that there is a need for the particular housing project in that municipality.

Not applicable for projects with an existing Agency mortgage loan being refinanced under the Preservation Loan program. Resolution IS required for all other Preservation Loan projects not currently in the Agency's portfolio. If a project is no longer under the Agency's regulatory oversight/affordability restrictions, a new Resolution of Need is required. The resolution runs with the project, not with the owner; therefore, if there is a transfer of ownership/sale during the permitted pre-payment period and the project is therefore still under Agency oversight), a new resolution is not required.

\_\_\_\_\_ Conduit Bond Financing Structure Finalized

\_\_\_\_\_ Borrower Selection of Underwriter

\_\_\_\_\_ ALL 4% and 9% LIHTC applications involving the development of new affordable units, including 100% affordable, mixed-income and mixed-use development, must undergo an Inclusionary Review. Applicants are strongly encouraged to complete Step #1 in advance of submitting an application for either Agency financing and/or LIHTC. In the event Step #1 is not completed prior to submission, the Inclusionary Review must be completed as part of the application review. (if applicable)

**Provide a status of your Inclusionary Review Submission. The Agency reserves the right to require the Inclusionary Review Submission prior to the project advancing to a Declaration of Intent.**

\_\_\_\_\_ Preliminary Drawings, (if applicable) Unit/Building Matrix for Rehabs

***NJHMFA (All documents in this section will be prepared by NJHMFA):***

\_\_\_\_\_ Site Inspection Report

\_\_\_\_\_ Board Resolution for Declaration of Intent

\_\_\_\_\_ Declaration of Intent Letter

## **II. REQUIREMENTS FOR MORTGAGE COMMITMENT**

\_\_\_\_\_ Appraisal (*along with approval from the lender or servicer*) -*The project appraisal must be commissioned by the lender or servicer, include NJ HMFA as an intended user, include the as-is value based on current rent amounts, include a separate land value, as if vacant. Additional requirements are included in the Agency's Multifamily Appraisal Standards.*

\_\_\_\_\_ Confirmation the Inclusionary Review Process has been completed and approved by HMFA (if applicable)

\_\_\_\_\_ Financing Commitments (**Submit All**) (may need updates from DOI) (*evidence for any and all sources included in underwriting that is acceptable to HMFA*)

\_\_\_\_\_ Confirmation of expiration date on HMFA RFA (*date must be confirmed by Developer and LIHTC syndicator*)

\_\_\_\_\_ Evidence of Source of Rental Assistance (Letter of award, if available)

\_\_\_\_\_ CNA, Scope of Work (*Preservation projects only*)

\_\_\_\_\_ Evidence of Credit Enhancement Availability to Borrower for Project

\_\_\_\_\_ Affirmative Fair Housing Marketing Plan

\_\_\_\_\_ ASTM E1527 Phase I Environmental Site Assessment, or NJDEP Preliminary Assessment, pursuant to N.J.A.C. 7:26E-3.2. (*along with approval from credit enhancer / purchaser*)

In addition, the following are required for Existing Structures:

- \_\_\_\_\_ Lead Based Paint Report/Removal plan
- \_\_\_\_\_ Asbestos Containing Materials Report/Remediation plan
- \_\_\_\_\_ Radon testing/Remediation plan
- \_\_\_\_\_ Other Remediation: Specify:

\_\_\_\_\_ ASTM E1903 Phase II Environmental Site Assessment (if applicable)

\_\_\_\_\_ Organizational Structure Chart for Sponsor/Borrower and Managing Entity

\_\_\_\_\_ Formation Certificate for Sponsor/Borrower and Managing Entity, as applicable (Advise NJHMFA prior to formation if contemplating an Urban Renewal entity N.J.S.A. 40A:20-1 et seq.) (*New Jersey Secretary of State Authorization to do Business in New Jersey for any Out-of-State Sponsoring Entity*) Submit for borrowing entity and all entities owning 10% or greater interest in the borrowing entity represented in the Organizational Structure Chart

- \_\_\_\_\_ Certificate of Limited Partnership (Partnership)
- \_\_\_\_\_ Certificate of Formation (Limited Liability Company)
- \_\_\_\_\_ Certificate of Incorporation (Corp.)
- \_\_\_\_\_ Certificate of Formation for Managing Member, if applicable
- \_\_\_\_\_ Certificate of Formation for Investor Member, if applicable

\_\_\_\_\_ Corporate Certification and Questionnaire\*, as applicable. Submit for borrowing entity and all entities owning 10% or greater interest in the borrowing entity represented in the Organizational Structure Chart

- \_\_\_\_\_ Sponsoring Entity/Borrower
- \_\_\_\_\_ General Partner (Limited Partnership)
- \_\_\_\_\_ Managing Member (Limited Liability Company)
- \_\_\_\_\_ Other entity owning 10% or greater interest in sponsoring entity
- \_\_\_\_\_ Updating Affidavit for Questionnaire, if applicable

\_\_\_\_ Personal Questionnaire for Directors and Officers of Sponsoring Entity/Borrower, Individuals Serving as General Partner or Managing Member, and any individual owning 10% or greater interest in sponsoring entity, or in the General Partner or Managing Member entity\* *(For non-profit entities controlled by a Board of Directors, Personal Questionnaires should be provided for any officer of the Board.)*

\_\_\_\_ Updating Affidavit for Questionnaire, if applicable

\_\_\_\_ Criminal Background Check for Directors and Officers of Sponsoring Entity/Borrower, Individuals Serving as General Partner or Managing Member, and any individual owning 10% or greater interest in sponsoring entity, and General Partner or Managing Member entity\* *(Any individual submitting a Personal Questionnaire must submit a Criminal Background Check. For non-profit entities controlled by a Board of Directors, Criminal Background checks should be provided for any officer of the Board.)*

**(Search results are valid for 18 months from date received.)**

**NOTE: Background checks must be sent via regular US mail, overnight courier or hand-delivered.**

\_\_\_\_ Municipal Resolution Granting Payments in Lieu of Taxes\* **(PILOT), (aka Tax Abatement Resolution or Ordinance)** (if applicable)

\_\_\_\_ Agency statute is N.J.S.A. 55:14K-37.

\_\_\_\_ The Long-Term Tax Abatement falls under N.J.S.A. 48:20-1.

\_\_\_\_ OTHER

\_\_\_\_ Agreement for Payment in Lieu of Taxes **(PILOT), (aka Tax Abatement Resolution or Ordinance)** (if applicable)

\_\_\_\_ Preliminary and/or Final Site Plan Approval, along with approval from credit enhancer / purchaser, if applicable.

\_\_\_\_ NJSHPO historic preservation approval or non-applicability determination (if applicable)

\_\_\_\_ Construction Contract (for Construction, Construction/Permanent Financing projects)

*Agency Addendum to Contract is required\* **Prevailing Wages are required***

If there is HUD financing in the deal then the Agency defers to the HUD form of document.

\_\_\_\_ Detailed Cost Estimate by Trade (Schedule of Values)

\_\_\_\_ **Pre-submission meeting** with Technical Services staff architect. Prior to submittal of the final drawings, it is required to schedule a meeting with Technical Services' staff to review the information to be submitted, in order to ensure, that the documents will contain all the information required for Agency approval.

\_\_\_\_ **Construction Documents and Project Manual** (in CSI format) *must be submitted electronically in PDF format*, and shall consist of Final (100%) Contract Documents showing all required construction details, cross-sections, and other information necessary to constitute a

construction-ready set of project construction documents consistent with the construction contract and with all sheets bearing the same date. The drawing set must include, at a minimum:

- Approved Final Site Plans and Final Subdivision Plans (if applicable);
- Civil Engineering Drawings;
- Architectural Drawings;
- Mechanical/Electrical/Plumbing (MEP) Drawings;
- Structural Drawings;
- Fire Alarm/Suppression Drawings; and
- All required construction details.

#### **Architect's Certification and Drawing List**

There is to be a separate certification on Architect's letterhead bearing signature and seal stating: This will certify that the accompanying drawings entitled "PROJECT NAME", dated "DATE OF LATEST REVISION", consisting of the documents set forth below, have been reviewed by this office and are complete, code compliant, consistent across the disciplines, contain all green and/or energy efficient measures in order to comply with Tax Credit compliance and issued **for construction**. Attach *List of submitted drawings, manuals, etc.*

**Tax Credit Green Homes Preconstruction Authorization Letter.** (*consult with Technical Services for specific requirements*)

***NJHMFA (All documents in this section will be prepared by NJHMFA):***

Bond Counsel Retained on Behalf of the Agency

Agency Board Resolution Authorizing Mortgage Commitment & Board approved action for transfer of ownership

Commitment Letter and Indemnification Deposit (If applicable)

### **III. BOND DOCUMENTS APPROVAL**

***NJHMFA (After issuance of Agency Commitment):***

Board Resolution with Bond Documents

### **IV. ISSUANCE OF BONDS/CLOSING**

Updated Appraisal/Market Study, (If applicable)

Acquisition Credit Opinion Letter (if applicable)

**Rack Set / Final Contract Drawing and Specifications** - Prior to the beginning of construction, one full-size, construction-ready, a permit approved set including civil drawings, signed and sealed by the architect, must be submitted electronically in PDF format.

DRAFT Operations Agreement with all Exhibits attached for Borrower entity and General

Partner(s) or Managing Member(s) (as applicable) (Final needed at Closing) (*HMFA Statement required for sponsoring entity only- **assigned paralegal can provide required HMFA language***)

- \_\_\_\_\_ Post Issuance Compliance Procedures Manual and Signed Acknowledgment of Same
- \_\_\_\_\_ DRAFT Closing Memorandum with breakdown of fees and funds
- \_\_\_\_\_ W-9 Escrow Account forms\* for Borrower/Project Entity/Buyer.
- \_\_\_\_\_ Final Evidence of Site Control (*i.e. Deed, Signed Ground Lease, etc.*)
- \_\_\_\_\_ TEFRA Notice/TEFRA Hearing Notification
- \_\_\_\_\_ HUD Approval (if applicable) of: **(posting)**
  - \_\_\_\_\_ Transfer of Ownership
  - \_\_\_\_\_ HAP and any Assignment of HAP
  - \_\_\_\_\_ HUD Approval of Previous Participation Certificate (HUD Form #2530) for Buyer, Managing Agent, Consultant and other Principal Participants **Including** INVESTOR Member
- \_\_\_\_\_ Certificate of Good Standing - Current within 30 days of **closing**
  - \_\_\_\_\_ Borrower
  - \_\_\_\_\_ Managing Member/General Partner
  - \_\_\_\_\_ OTHER members over 10%
- \_\_\_\_\_ Certificate Formation **and** Certificate of Good Standing for Investor Member within 30 days of closing
- \_\_\_\_\_ New Jersey Division of Taxation Tax Clearance Certificate (for Borrower)  
Questions may be directed to 609-292-9292 or via email at [Premier Services Registration](#).  
**(Valid for 180 days)**
- \_\_\_\_\_ Insurance Certificates naming NJHMFA as additional insured (*along with approval from credit enhancer / purchaser*) HMFA Insurance Department must approve. **(pricing)**
- \_\_\_\_\_ Sales Tax Exemption, (If applicable) (***Assigned paralegal can provide forms***)
- \_\_\_\_\_ Copy of Title Insurance Commitment for new financing, including all searches and copies of instruments of record, and first lien endorsement to NJHMFA  
**NOTE:** *Affirmative insurance required for any exceptions in commitment that will remain at the time of closing.*
  - \_\_\_\_\_ Tax Search
  - \_\_\_\_\_ Assessment Search
  - \_\_\_\_\_ Municipal Water/Sewer Utility Search
  - \_\_\_\_\_ Evidence of payment of taxes, if applicable
  - \_\_\_\_\_ Evidence of payment of utilities, if applicable
  - \_\_\_\_\_ Judgment Search
    - \_\_\_\_\_ Sponsoring Entity
    - \_\_\_\_\_ General Partner(s)/Managing member(s)

- \_\_\_ Corporate Status and Franchise Tax Search, if applicable
- \_\_\_ Tidelands and Wetlands Search
- \_\_\_ Gap Language
- \_\_\_ Flood Hazard Area Certification
- \_\_\_ Closing Protection Letter for Title Officer Attending Closing
- \_\_\_ Survey Endorsement insuring final survey without exceptions
- \_\_\_ Copies of All Instruments of Record
- \_\_\_ First Lien Endorsement, (and/or Second Lien, etc.,) if applicable
- \_\_\_ Environmental 8.1 Endorsement
- \_\_\_ Evidence of payment of current condominium fees/assessments, if applicable
- \_\_\_ Arbitration Endorsement
- \_\_\_ Additional Endorsements as may be required depending on project type:
  - \_\_\_ ALTA 13.1 - Leasehold endorsement, if applicable
  - \_\_\_ ALTA 9 – Restrictions, Encroachments, Minerals, if applicable
  - \_\_\_ ALTA 18 Multiple Parcels Endorsement (if scattered site project)
  - \_\_\_ ALTA 5.1 – Planned Unit Development, if applicable
  - \_\_\_ Condominium Endorsement, if applicable
  - \_\_\_ Title Rundown Confirmation (in writing on the day of closing)
- \_\_\_ Filed Notice of Settlement
- \_\_\_ Survey (*1 Signed & Sealed Original & 1 Signed & Sealed Electronic Copy Certified to Sponsor, NJHMFA and Title Company*)
 

A “Flood Elevation Certificate” on the DEP Form and certified by a professional should be submitted with the Survey.
- \_\_\_ Final Executed Operations Agreement with all Exhibits attached for Sponsoring entity and General Partner(s) or Managing Member(s) (as applicable) (Final needed at Closing) (*HMFA Statement required for sponsoring entity only*) **assigned paralegal can provide language**
- \_\_\_ Attorney Transactional Documents
  - \_\_\_ ALL Counsel Opinions **for loan closing.**
  - \_\_\_ Seller's Affidavit of Title and Corporate Resolution to Sell (if applicable)
  - \_\_\_ Mortgagor's Affidavit of Title\*
  - \_\_\_ Resolution to Borrow
- \_\_\_ Final Site Plan Approval along with approval from Credit Enhancer / Purchaser (if applicable)
- \_\_\_ IF Seller is an LD entity – DCA approval of the sale
- \_\_\_ 42m Letter (**pricing**)
- \_\_\_ Construction Permits (**pricing**)
- \_\_\_ FINAL signed Closing Memorandum with breakdown of fees and funds.
- \_\_\_ Payment & Performance Bonds or other guarantee acceptable to the Agency (if construction project and if required by enhancer/purchaser NJHMFA to be named) along with approval from Credit Enhancer / Purchaser.

\_\_\_\_\_ Amortization schedules for **Direct Purchases**.

\_\_\_\_\_ All signature pages to Bond Counsel two weeks prior to closing.

**NJHMFA:**

- \_\_\_\_\_ Satisfaction of Agency Board Commitment/ Closing Requirements, if any.
- \_\_\_\_\_ **(Signed)** Closing Proforma/Cash Flow (Agency Form 10).
- \_\_\_\_\_ GAU Approval of TEFRA **(Pricing)**.
- \_\_\_\_\_ TEFRA Proof of Publication (obtain from Bond Counsel).
- \_\_\_\_\_ Signed Documents to Evidence Bond Issuance: (Prepared by Bond Counsel).

**V. POST CLOSING**

- \_\_\_\_\_ Title Policy **&** Recorded Loan Documents
- \_\_\_\_\_ Closing Binder w/CD (provided by Bond Counsel)
- \_\_\_\_\_ Certificate of Occupancy for Construction Rehab at Construction Completion
- \_\_\_\_\_ Final Release and Waiver of Lien and Affidavit from General Contractor\* --including Schedule "A" – Verified List of Subcontractors, **which needs to list the following: Name of Subcontractor, Amount Paid and the Last Date worked on Site.** (any subcontractor over \$5,000)
- \_\_\_\_\_ Deed of Easement for LIHTC\*
- \_\_\_\_\_ Sponsor Development Cost Audit, or audit document as otherwise approved by the Agency **within six months of construction completion**
- \_\_\_\_\_ Tax Credit Green Post Construction Authorization Letter