NEW JERSEY HOUSING MORTGAGE AND FINANCE AGENCY
MONEY FOLLOWS THE PERSON HOUSING PARTNERSHIP
PROGRAM GUIDELINES

Adopted: September 24, 2015
Amended: July 27, 2023

PLEASE TAKE NOTICE: These guidelines may be amended from time to time due to changes in New Jersey Department of Human Services, Division of Aging Services' Money Follows the Person program Such amendments by the Division of Aging Services to the Money Follows the Person program may occur without notice and are applicable to all pending and future applications. Applicants are, therefore, responsible for contacting the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") to ascertain whether or not there have been any changes to the Division of Aging Services' Money Follows the Person Housing Partnership Program (MFPHPP) since the date of the initial adoption or subsequent amendment or revisions to the MFPHPP Guidelines (the "Guidelines") and for complying with such changes to the Division of Aging Services' MFPHPP. These Guidelines address only the financing of MFPHPP units and not the substantive requirements of the Division of Aging Services' MFPHPP.

EXCEPT AS SET FORTH BELOW, NJHMFA'S SPECIAL NEEDS HOUSING TRUST FUND GUIDELINES ARE APPLICABLE TO THIS PROGRAM AND ARE INCORPORATED AS IF FULLY SET FORTH. IN THE EVENT OF A CONFLICT BETWEEN THE MONEY FOLLOWS THE PERSON HOUSING PARTNERSHIP GUIDELINES AND THE SPECIAL NEEDS HOUSING TRUST FUND GUIDELINES, THE LATTER SHALL APPLY.

Program Goal: The Money Follows the Person Partnership Housing Partnership Program ("MFPHPP") involves the collaboration of the New Jersey Department of Human Services, Division of Aging Services ("DoAS") and the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") to provide eligible non-profit and for-profit developers with capital subsidies to develop housing units for qualified individuals transitioning from nursing facilities to community settings. DoAS and NJHMFA will work in partnership to implement and administer MFPHPP in a cost-effective manner in order to increase the availability of high-quality housing for people with disabilities.

Eligible Applicants: Private for-profit and nonprofit housing developers capable of developing and managing permanent supportive housing.

Eligible Project Location: DoAS, in conjunction with the New Jersey Department of Human Services, Office of Housing will prioritize projects based on their need. The current eligible counties are Bergen, Passaic, Essex, Morris, Hudson, Monmouth, and Ocean. The list of eligible counties may be subject to change.

Eligible Types of Projects: Newly constructed or rehabilitated multifamily projects. Developers have to comply with all local municipal laws and ordinances.

Eligible Tenants: Individuals aged 18 and over who are physically disabled and are currently living in nursing homes and have been assessed as being capable of living in a community setting with support services.

Project Selection Criteria:

1. Project location is in one of the eligible counties.
2. Project includes amenities necessary to enable the tenant to transition into the community.
3. Housing developer is experienced developer of special needs housing.
4. Letter of Support from DoAS.

Eligible Number of Units: Housing developers may apply for MFPHPP financing for up to 5 units in any one project. Financing for more than 5 units per project will be considered on a case-by-case basis.

Subsidy Loan Amounts: The maximum capital subsidy loan is $150,000 per unit.

Types of Available Funding:

1) Construction and permanent financing

2) Permanent financing

Mortgage Lien Status: All MFPHPP loans will be secured by a first mortgage lien on the land or improvements. In the event a first lien position is determined not to be available, the NJHMFA will consider a subordinate position.

Financing Term: The term of the MFPHPP subsidy loan will be 30 years. In the event a 30-year term is not feasible due to other financing sources, NJHMFA will consider terms as low as 20 years or as great as 40 years.

Security and Collateral: The MFPHPP subsidy loan will be secured by a note and mortgage.

Mortgage Interest Rate: Program loans provided during construction shall be at zero-percent interest rate. Program loans provided during permanent financing shall be at one-percent interest rate.

Loan Repayment Terms: Payments will be equal to 25% of available cash flow remaining after the payment of operating expenses, required reserves and amortized mortgage loan debt. Any remaining unpaid principal and all accrued interest will be due and payable on the maturity date of the MFPHPP loan.

Affordability Controls: All MHPHPP loan agreements must incorporate contractual guarantees and procedures to ensure that any MHPHPP housing unit must continue to be occupied by MHPHPP-eligible tenants. The MFPHPP set-aside units will be underwritten at 20% of AMI.

Please note that monies for rental assistance will not be provided by DoAS.

Deed Restrictions: Units funded with MFPHPP must be deed restricted. The deed restriction will remain in effect for the term of the original mortgage or tax credit period, whichever is applicable.

Income and Population Certifications: Income and population certifications must be submitted to the NJHMFA during rent up and for every new move-in thereafter.

MHPHPP subsidy loan is defined as an NJHMFA Loan.