

NJHMFA

The New Jersey Housing and Mortgage Finance Agency

An Independent state agency established in 1984, in the New Jersey Department of Community Affairs



ADMINISTERS THE 4% & 9% LOW INCOME HOUSING TAX CREDIT PROGRAM

Single largest source of equity for
multifamily affordable rental projects

UNIQUE AGENCY IN NEW JERSEY – DIRECT LENDER

Balance sheet in excess of \$4.5 billion

No reliance on the state for
budget for operating funds

MISSION IS TO FINANCE SAFE, DECENT, AFFORDABLE HOUSING

Secures funding through the sale
of taxable and tax-exempt bonds

Secures income from fees
and investments
Rated AA by S & P
Rated Aa1 by Moody's

LOW INCOME HOUSING TAX CREDIT PROGRAM:

NJHMFA administers the federal Low Income Housing Tax Credit (LIHTC) program on behalf of the Internal Revenue Service and is responsible for allocating both the 4% and 9% credit. The credit is a 10-year tax incentive to encourage the development of residential rental housing at or below 60% of area median income. These highly competitive credits are awarded to developers based on the criteria set forth in the Qualified Allocation Plan (QAP) to developers based on the cost of construction. The credits are then sold or “syndicated” to an investor limited partner (typically CRA-driven banks, large corporations or an equity fund). The equity generated from the sale of the 9% credits can fund approximately 70% of the total development costs of the project. The reduced funding gap allows the project to carry a smaller mortgage; therefore, the project can charge lower, more affordable rents.

CONDUIT BOND PROGRAM:

The program is designed as a supplement to the core multifamily rental housing program. NJHMFA will issue tax-exempt or taxable bonds on a “pass through” basis on behalf of the borrower. Conduit bonds can be publicly offered, or issued as a direct placement, where the bonds are purchased from NJHMFA directly by a qualified institutional investor. Conduit deals typically use 4% non-competitive LIHTC to subsidize rents.

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HAHNE'S BUILDING

Developer: L+M Development Partners, Inc.

Type: 60/40 mixed income, mixed use

Location: Newark

Total Units: 160

Market Rate: 96

Affordable Units: 64

Retail Space: 80,000 square feet; Whole Foods and Rutgers University

NJHMFA FINANCING



• **Conduit:** \$66 million, Citi Community Capital

• **4% Tax Credit Equity:** \$13 million

• **Total Development Cost:** \$122 million



THE ASPIRE

Developer: Boraie Development, LLC

Type: 80/20 mixed income, mixed use

Location: New Brunswick

Total Units: 238

Market Rate: 190

Affordable Units: 48

Retail Space: 10,000 square feet

NJHMFA FINANCING



• **Conduit:** \$60 million, Citi Community Capital

• **4% Tax Credit Equity:** \$5.9 million

• **Total Development Cost:** \$88.2 million



MILAN & MAIN CITY CENTER

Developer: RPM Development

Type: 30/70 mixed income, mixed use

Location: Pleasantville

Total Units: 135

Market Rate: 96

Affordable Units: 64

Retail Space: 20,000 square feet

NJHMFA FINANCING



• **Conduit:** \$3.7 million

• **9% Tax Credit Equity:** \$24 million

• **Total Development Cost:** \$387 million

Updated 1.27.20