

State: NEW JERSEY (QAP 2013)	New Jersey Housing and Mortgage Finance Agency (NJHMFA)
Measure	Evidence
HOUSING LOCATION: Site and Neighborhood Standards	
<p>A1. Mandatory restrictions prohibiting increases in racial and economic (or low-income) concentration</p>	<p>◆ [Geographic restriction though not specific to racial/economic concentration] For all funding cycles except Supportive Housing, NJHMFA shall fund no more than two projects/year from the same municipality (p. 16, 17, 19).</p> <p>◆ Non preservation projects located in census tracts wherein 30% or more of the existing housing units are low income housing tax credit units shall not be eligible for funding unless the following criteria are met:</p> <ul style="list-style-type: none"> ii. The project must be a redevelopment project; iii. The project does not add more low-income units to the census tract; iv. The project plan includes relocation options to higher opportunity areas and mobility counseling assistance for existing residents; and v. The application includes a municipal resolution that references this paragraph and supports the allocation of housing tax credits for the development (p. 37).
<p>A2. Scoring that discourages racial and economic concentration.</p>	<p>No.</p>
<p>A3. Mandatory requirements for development in high-opportunity areas</p>	<p>60% of the pool of tax credits available for family development is initially reserved for suburban (and rural) locations, “provided NJHMFA receives a sufficient number of eligible applications from areas outside of Targeted Urban Municipalities to result in these allocation percentages.”</p>
<p>A4a. Scoring that encourages development in high-income areas.</p>	<p>◆ [Family Cycle] 20 points for projects not located in a QCT that extend the compliance period to 45 years. This only applies if project has not applied for points associated with building in a QCT (see A6) or for points to convert units to tenant ownership (see O3) (p 39).</p>
<p>A4b. Scoring that encourages development in high opportunity areas.</p>	<p>◆ 5 points to projects located within both a Ready to Grow Area¹ and any of a transit village, an urban transit hub, a Main Street Designated District or a Designated Center, or a redevelopment project within a ready to grow area (p. 41).</p> <p>◆ Up to 6 points for projects located within ½ mile of positive land uses (2 point for each use up to a max of 6 points): full-service grocery store, pharmacy, department/retail merchandise store, bank/credit union, non-fast food restaurant, indoor or outdoor public recreation facilities, hospital, medical offices, public school (non-senior projects only), senior center, religious institution (1 point only), licensed day-care center (non-senior projects only), post office, fire/police station (p. 44).</p> <p>◆ 2 points to a project that is fully located within a municipality with public and private sector jobs that total at least 95% of the housing units (p. 48).</p>
<p>A5. Scoring or requirements that preference siting near high-quality schools.</p>	<p>◆ 2 points to a project that is fully located within a school district wherein ≥66% of the students are either proficient or advanced proficient on the NJ ASK 4 in both math and language arts based on data available from the New</p>

¹ Ready to Grow Area is a smart growth area (an area that promotes growth in a compact form and in a way that protects the character of existing stable communities) or is an area in need of redevelopment or rehab (8, 10).

	Jersey Department of Education as of the application deadline (p. 48).
A6. Scoring that discourages development in distressed neighborhoods. ²	<p>◆ (-) Preservation set-aside: The second reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a preservation project that meets all of the following criteria: PBRA expires/lapses earlier than the mortgage is paid off; PBRA subsidizes at least 50% of the total units; and the project has achieved a Real Estate Assessment Center (REAC) score of 60 or higher (if applicable) for the preceding 3 years or if the project’s REAC score is below 60, the general partner/managing member of the proposed rehabilitation project shall not be a related party to the current ownership entity (p. 16). [Pertains to existing subsidies so could contribute to development in distressed areas.]</p> <p>◆ [Family Cycle] (-) 15 points for projects located in a QCT. This only applies if project has not applied for points associated with an extended compliance period in a non-QCT (see A4a) or for points to convert units to tenant ownership (see O3) (p 39).</p> <p>◆ 3 points deducted from projects located with 1 mile of any of the following negative land uses: landfill, garbage dump, trash incinerator, nuclear power plant, oil/chemical refinery, unremediated superfund or toxic waste site (p. 44-5).</p>
A7. Scoring or requirements that preference siting near mass transit.	<p>◆ [Family Cycle] 5 points for projects located within a Transit-Oriented Development (TOD) where at least 5% of the units are large-family units (see also F1)³. This only applies if project has not applied for large family unit points (see F1) (p. 40).</p> <p>◆ 2 points to projects fully located within ½ mile of public transportation (p. 48).</p>
A8. Focus on and operationalization of a neighborhood revitalization plan.	<p>◆ [set aside] HOPE VI/Choice Neighborhoods set-aside: The first reservation of credits from the Family Cycle (see Notes) shall be given to the highest-ranking eligible application from a HOPE VI or Choice Neighborhood project with a majority of its units located within a QCT. If, because of lack of demand, this set-aside is not utilized, the credits shall be released into the Family Cycle for use by other eligible applications after satisfaction of any other set-aside, as applicable (p. 16). [Pertains to revitalization efforts though ‘neighborhood revitalization plan’ language is not used explicitly.]</p>
B1. Local participation in site selection is limited to statutory minimum. ⁴	<p>◆ (-) Up to 5 points awarded to projects that demonstrate municipal, county, Casino Reinvestment Development Authority, or PHA support (p. 40). For purposes of this point category, municipal, county or PHA support means contribution of land for nominal consideration (\$100.00 per parcel or less) or a discounted rate, or monetary contribution to the project (p. 41).</p>
HOUSING ACCESS: Affirmative Marketing, Priority Groups	
C1. Mandatory requirements ensuring affirmative marketing.	<p>◆ Supportive housing cycle applicants must submit a copy of a supportive housing marketing plan. The plan must identify the organizations that will be used for referrals and evidence, such as a letter of support, must be provided attesting that such organizations have experience serving the target population and can be a source for referrals (p. 36).</p>

² Evidence of the inverse: preference for development in distressed neighborhoods (by overemphasizing QCT/DDA preference, preference for existing subsidized housing in distressed neighborhoods, preferences for low-income matched financing, etc.) should also be noted.

³ Transit Oriented Development is a mixed-use development within walking distance (within 1/2 mile) of a rail, light rail, subway, ferry, or major bus corridor station (p. 13).

⁴ Evidence of the inverse: preferences or requirements for local participation should also be noted.

	<p>◆ NJHMFA encourages all owners/developers to affirmatively market their projects. For projects >25 units, applicants shall submit an Affirmative Fair Housing Marketing Plan, which, in short, documents how the project will be marketed to those people who are least likely to apply. For instance, if the proposed development is located in an area predominantly populated by Caucasians, outreach should be directed to non-Caucasians. Conversely, if the population is predominantly African-American, outreach should be directed to non-African-American groups. At the time the units are placed in service, the owner/developer and rental agent shall certify that the project was affirmatively marketed (p. 36).</p>
C2. Scoring that incentivizes affirmative marketing.	No.
C3. Scoring that incentives language access and marketing to non-English speakers.	No.
D1. Scoring that promotes Section 8 voucher access in high-opportunity areas.	◆ 2 points for projects that utilize public housing waiting list (p. 40).
D2. Requirements for monitoring Section 8 voucher access <i>in high-opportunity areas</i> .	◆ The annual compliance monitoring plan must demonstrate that the owner has not refused to lease a unit to an applicant based solely on his/her status as a holder of a Section 8 voucher (p. 63).
F1. Incentives for larger family units.	<p>◆ Projects applying in the Family and Final Cycles (except minimum rehabilitation, preservation and historic rehabilitation projects) must adhere to the following minimum bedroom distributions: the combined number of efficiency and 1-bedroom units shall not exceed 20% percent; at least 30% of units shall be 2-bedrooms; and at least 20% of units shall be 3-bedrooms (p. 16, 18).</p> <p>◆ [Family Cycle] 5 points for low-density buildings where at least 25% of the units are large family units or projects located within a TOD where at least 5% of the units are large-family units (see also A7) (p. 40).</p>
F2. Incentives targeting families/families with children	◆ 2 points for family projects that provide a playground (p. 43).
G1. Scoring that promotes units for lowest-income households (<i>outside high-poverty areas</i>).	<p>◆ 8 points to projects that select the 20% at 50% AMI federal set-aside or elect to restrict 10% of units to HHs earning <30% AMI. If the 20% at 50% election is selected, all tax credit units shall be restricted to 50% of AMI adjusted for family size (p. 50).</p> <p>◆ 3 points for projects that receive PBRA for at least 25% of the total units for a minimum term of 10 years (p. 40). [Could also apply as a negative to A6 though this seems to be less about preservation of existing PBRA and perhaps more about securing new PBRA.]</p>
REPORTING REQUIREMENTS	
H1. Racial/demographic reporting requirements.	◆ As required by the Housing and Economic Recovery Act of 2008, owners are required to submit, annually, data pertaining to the residents of LIHTC-funded units. Data must include race and ethnicity (p. 63).

OVERALL ASSESSMENT

TOTAL POINTS POSSIBLE: Maximum score of 61 (with additions and deductions). Applications must, at a minimum, satisfy 65% of the maximum score to qualify for review.

Particular emphasis placed on supportive housing and housing for special needs populations, with much detail on the supportive service components of this programming.

Notes:

Four set-aside cycles identified in the QAP: 1) Family Cycle (non-age-restricted developments) – not less than 50% of all tax credits, includes two set-asides (HOPE VI/Choice Neighborhood (see **A8**) and preservation (see **A6**); 2) Senior Cycle – not less than 20% of all tax credits, includes a HOPE VI/Choice Neighborhood set-aside; 3) Supportive Housing Cycle – not less than 25% of all tax credits; 4) Final Cycle (p. 15-19). **Each cycle has same point systems except as noted.**

Applications for preservation projects must include (among other things) 1) an agreement precluding the involuntary displacement of any existing residents (other than for good cause) and in the case of scattered-site projects, a copy of the relocation plan for over-income residents [**A1**] and 2) documentation of how rents will remain at or near existing levels [**G1**] (p. 7).

NJHMFA defines a redevelopment project as one that is fully located within a ‘redevelopment area’ or ‘area in need of redevelopment’ or a ‘rehabilitation area’ or ‘area in need of rehabilitation’ as defined at [NJSA 40A:12A-3](#); or within the boundary of an approved ‘neighborhood revitalization plan’ as defined at [NJSA 52:27D-491](#). No later than the application deadline, the redevelopment plan must be approved by the municipal governing body or the neighborhood revitalization must be approved by the Commissioner. The project must further the goals and objectives of the approved plan (p. 10).

The required application narrative must include an explanation of how (among other things) the project will impact the neighborhood (p. 24).

In its description of the proposed site, the required Market Study must include (among other things) information on proximity to retail and employment, detailed neighborhood and market area maps showing all significant nearby land uses, and a description of the proposed improvements (including unit mix, a commentary on the preliminary drawings including size and design, proposed project and unit amenities) (p. 24). Market Study must give a comprehensive and reasonable rationale for the suggested market area and may take into account political and natural boundaries, socioeconomic characteristics, and the areas from which nearby rental developments draw new tenants. The market area shall be evaluated on the basis of employment and income levels and trends, the presence of revitalization projects, the number of substandard units in the markets, and the number of cost-burdened households in the market. Interviews shall be conducted with area apartment managers to establish mobility patterns in the area (p. 25). Market Study must include an economic analysis that includes trends in resident employment/unemployment, area employment opportunities, and other economic conditions (p. 25). The impact of the project on existing housing inventory in the market area shall also be addressed (p. 26).

Project shall be underwritten to demonstrate project feasibility at a HH median income percentage that is 2.5% below the set-aside selected. E.g., if the 20% at 50% set-aside is selected, the project shall be underwritten with rents affordable to tenants at or below 47.5% of the AMI adjusted for family size (p. 32). [Could fit with **G1** although isn’t specific to the lowest-income tenants.]

Projects with market-rate units shall distribute the low- and moderate-income units among the different sized units to reflect the same percentage distribution as the number of different sized units bear to the total number of units. A greater percentage of the low and moderate income units may, however, be allocated to the larger units. Additionally, low- and moderate-income units shall be distributed throughout the project such that the tenants of such units will have equal access to, and enjoyment of, all common facilities of the project (p. 34). [Could fit with **G1** and **F1**].

OTHER CATEGORIES	
O1. Scoring that promotes units for persons with disabilities.	See O2 as persons with disabilities included under NJHMFA’s special needs population definition. ◆ 2 points to projects that rent 5 units or 5% of the total project

	units, (whichever is greater) to individuals or families who are disabled as well as leaving institutions under the Olmstead Decision (p. 50).
O2. Scoring that promotes units for special needs populations.	<p>◆ One of the primary set-asides is for supportive housing (SH) for special needs populations⁵. To apply for SH set-aside, must provide (in addition to other required documents), a SH needs assessment, a SH marketing plan [see also C1], evidence of the applicant's experience in provision of SH, funding sources and social services plan, supportive services agreement, evidence of receipt of rental assistance or operating subsidy for special needs population <30% AMI (p. 36).</p> <p>◆ 3 points to projects that rent 5 units or 5% of the total project units, (whichever is greater), to individuals or families who are homeless (p. 50) [only if not applying for disabled unit points, see O1].</p>
O3. Scoring to promote home ownership.	<p>◆ [Family Cycle] 10 points for single-family and duplex housing projects which will convert to tenant ownership. This only applies if project has not applied for points associated with an extended compliance period in a non-QCT (see A4a) or for building in a QCT (see A6) (p. 39).</p>
O4. Provisions affirmatively furthering fair housing laws.	<p>◆ [As noted in definitions] The familiar status provisions of the Fair Housing Act prohibit discrimination against households with children under 18... The only exception to this prohibition against discrimination based on familial status is for property that qualifies under a Fair Housing Act exemption as 'housing for older persons'. For questions about whether a property qualifies for the exemption as housing for older persons, a fair housing attorney or other fair housing professional should be consulted (p. 10-11).</p> <p>◆ The annual compliance monitoring plan must demonstrate that no finding of discrimination under the Fair Housing Act has occurred for the project. A finding of discrimination includes an adverse final decision (p. 63).</p>

⁵ "Supportive housing project" means a project which shall rent a minimum of 25% of the total project units to individuals with special needs. At a minimum, a supportive housing project must have a social service coordinator and a social services plan that addresses the needs of the identified special needs population. Special needs populations defined as individuals with mental illness, physical/ developmental disabilities, HIV/AIDS, domestic violence victims, ex-offenders and youth offenders, youth aging out of foster care, runaway and homeless youth, homeless persons, disabled and homeless veterans, persons in treatment for substance abuse, and persons in other emerging groups as identified by state agencies (p. 13, 6). [Broad definition.]