

\$40 Million in Federal Tax Credit Assistance for Low Income Housing Development Announced

Funds to Help Spur Economic Development & Create 879 Housing Units

UNION CITY– Governor Jon S. Corzine today lauded the announcement by Department of Community Affairs (DCA) Commissioner Joseph Doria of the award of \$19.5 million in federal Low Income Housing Tax Credit Funds (LIHTC) and the designation of \$20.6 million in American Recovery and Reinvestment (ARRA) funding through the Tax Credit Assistance Program (TCAP) that will spur the creation of 879 new housing units throughout the state.

“The global economic recession has presented numerous challenges for New Jersey families,” Governor Corzine said. “Today’s announcement brings with it great potential to create good-paying jobs for our citizens and the potential to put roofs over the heads of those, who through no fault of their own, are in need of a place to call home.”

Today’s announcement was made at Horizon Heights, located at 4908-4914 Broadway Avenue in West New York & 116-118 49th Street, Union City. This development will provide 52 units of affordable family housing including fourteen units of service enriched housing for individuals with special needs. Six of the special needs units will be set-aside for individuals with mental illness and the remaining eight special needs units will be set-aside for individuals with developmental disabilities. Office space will be provided on-site and will be used to provide case management and social services. The developer is Regan Development Company of Ardsley, New York.

Low Income Housing Tax Credit Funds encourage public-private partnerships in the development of affordable housing. Under the program, affordable housing developers are awarded housing credits to sell to private investors in order to raise capital. The dollar for dollar tax credit is claimable by investors annually for 10 years.

Prior to the national financial crisis, a single Low Income Housing Tax Credit typically sold for \$.80 to \$.90 per tax credit dollar. The private capital received from these sales decreases the amount of debt or loans needed to cover the costs of constructing an affordable housing project.

As a result, rents for tenants can be reduced to more affordable levels since less income is necessary to operate the development. Since the financial crisis began, the price of Low Income Housing Tax Credits have plummeted, leaving many affordable housing projects suspended. The American Recovery and Reinvestment Act (ARRA) provides Tax Credit Assistance Program (TCAP) funding in order to fill that gap and will enable affordable housing developments to resume. The HMFA will administer both the LIHTC and TCAP awards and monitor funding to ensure it is spent correctly.

Under federal guidelines, projects eligible to receive TCAP assistance are rental housing projects that received or will receive an award of LIHTCs during the period from October 1, 2006 to September 30, 2009 (federal fiscal years 2007, 2008 or 2009), and require additional funding to be completed and placed into service.

While the LIHTC funds will be awarded immediately, the TCAP funding designations are subject to Federal Department of Housing and Urban Development (HUD) approval.

“Governor Corzine has constantly stressed the need to move on shovel ready projects and to create jobs here in New Jersey,” said Commissioner Doria. “These funds will help fulfill that goal and not only create jobs but provide much needed housing for New Jersey families.”

Since its inception in 1967, the HMFA has been committed to making quality housing available at costs affordable to New Jersey residents. Aside from first-time homebuyers, the HMFA works with senior citizens in senior and assisted living facilities, the disabled in special needs communities, and the state’s most needy families in traditional affordable housing developments.

Below is a list of LIHTC recipients and those designated to receive TCAP funding. TCAP recipients are still subject to approval by HUD

<u>Project Name</u>	<u>City</u>	<u>LI Units</u>	<u>Units</u>	<u>Credits</u>	<u>TCAP</u>
Water Edge Crescent	Elizabeth City	70	71	\$2,042,558	\$2,470,053
Madison Apartments	Elizabeth City	17	18	\$360,624	\$0
Franklin Boulevard Commons	Franklin Twp.	65	66	\$1,816,573	\$0
Seashore Gardens	Galloway Twp	58	58	\$1,200,000	\$1,938,865
Whitney Crescent	Glassboro	80	80	\$2,075,011	\$2,393,756
Cape May Senior Housing	Lower Township	90	90	\$1,750,000	\$3,356,500
Medford Senior Housing	Medford Twp.	36	36	\$878,873	\$826,500
Providence Square II	New Brunswick City	53	53	\$1,295,501	\$3,757,257
Congdon Mill	Paterson City	65	66	\$2,005,904	\$0
Bailey Corner	Pilesgrove Twp.	91	91	\$2,085,309	\$1,090,000
Robert Noble Manor	South Amboy City	40	40	\$913,965	\$0
Horizon Heights	Union City/West New York	51	52	\$1,723,054	\$0
Meadows at Oldwick	Whitehouse Station	18	18	\$173,461	\$0
The Village at Woodstown	Woodstown Twp.	60	60	\$1,200,000	\$4,768,740
Total				\$19,520,833	\$20,601,671