



Joseph V. Doria, Jr.  
Chairman

Marge Della Vecchia  
Executive Director

December 10, 2008

Dear Tax Credit Property Owner/Manager:

The Housing and Economic Recovery Act of 2008 promulgated a number of changes to the Low Income Housing Tax Credit Program. Included in the legislation is an amendment to the recertification requirement for 100% tax credit properties. To implement this change, HMFA proposes the following change starting in 2009:

For residents residing in 100% tax credit properties, an initial certification shall be required at move-in, followed by a re-certification on the 1 year anniversary of move-in. Re-certification shall no longer be required in subsequent years, provided the property continues to operate as 100% affordable/tax credit. While a resident shall still be required to complete the Tenant Income Certification and other forms on an annual basis, 3<sup>rd</sup> party verification of income shall no longer be required.

This letter shall also serve as a reminder that the following information is due to HMFA no later than January 31, 2008:

1. Owner's Certificate of Continuing Program Compliance signed by the project owner;
2. *Building Status Report information. If your project has been issued a Mitas password by HMFA, annual tenant information for calendar year 2008 shall be transmitted via the Mitas WebAccess System. If your project has not been issued a password yet, the Building Status Report shall be submitted in digital format (e-mail, CD or diskette).*
3. Project Status Form
4. Compliance monitoring fee of \$60 per unit (if applicable) payable to HMFA
5. Annual Certification for Projects with Special Needs or Social Services
6. Documentation to support the 2008 Utility Allowances Used
7. IRS Form 8609 with Part II completed (if not previously provided)
8. Year 15 Status Report (if applicable)

All items shall be sent to the Tax Credit Analyst assigned to your project. To access monitoring forms or the list of HMFA contacts, visit <http://www.state.nj.us/dca/hmfa/biz/devel/lowinc/compliance.html>.

**Failure to submit these items by January 31, 2008 is noncompliance that shall be report to the IRS.**

Thank you in advance for your cooperation. If you have any questions, feel free to contact the Tax Credit Analyst assigned to your property.

Sincerely,

Debra Urban  
Director of Tax Credit Services

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

637 South Clinton Avenue ▲ P.O. Box 18550 ▲ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ▲ WEB: [www.nj-hmfa.com](http://www.nj-hmfa.com)

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY  
OWNER'S CERTIFICATE OF CONTINUING PROGRAM COMPLIANCE**

<b>Certification Dates:</b>	<b>From:</b> January 1, 2008 _____	<b>To:</b> December 31, 2008 _____	
<b>Project Name:</b>			<b>LITC No:</b>
<b>Project Address:</b>			<b>City:</b> _____ <b>Zip:</b> _____
<b>Tax ID # of Ownership Entity:</b>			

No buildings have been Placed in Service  
 At least one building has been placed in Service but owner elects to begin credit period in the following year.  
 If either of the above applies, please check the appropriate box, and proceed to page 2 to sign and date this form.

I (the "Owner"), \_\_\_\_\_  
Please type or print  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_  
 E-mail Address: \_\_\_\_\_

Hereby certifies that:

- The project meets the minimum requirements of: (check one)
  - 20 - 50 test under Section 42(g)(1)(A) of the Code
  - 40 - 60 test under Section 42(g)(1)(B) of the Code
  - 15 - 40 test for "deep rent-skewed" projects under Section 42(g)(4) and 142(d)(4)(B) of the Code
- There has been **no change in the applicable fraction** (as defined in Section 42(c)(1)(B) of the Code) for any building in the project:
  - NO CHANGE**       **CHANGE**
 If "Change", list the applicable fraction to be reported to the IRS for each building in the project for the certification year on page 3:
- The owner has received an annual Tenant Income Certification from each low-income resident and documentation to support that certification, or the owner has a re-certification waiver letter from the IRS in good standing, has received an annual Tenant Income Certification from each low-income resident, and documentation to support the certification at their initial occupancy.
  - YES**       **NO**
- Each low-income unit in the project has been rent-restricted under Section 42(g)(2) of the Code:
  - YES**       **NO**
- All low-income units in the project are and have been for use by the general public and used on a non-transient basis (except for transitional housing for the homeless provided under Section 42 (i)(3)(B)(iii) of the Code):
  - YES**       **NO**       **HOMELESS**
- No finding of discrimination under the Fair Housing Act, 42 U.S.C 3601-3619, has occurred for this project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency, 42 U.S.C 3616a(a)(1), or an adverse judgment from a federal court:
  - NO FINDING**       **FINDING**

7. Each building in the project is and has been suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low income unit in the project:  
 YES                       NO  
 If "No", state nature of violation on page 3 and attach a copy of the violation report as required by 26 CFR 1.42-5 and any documentation of correction.
8. There has been **no change in the eligible basis** (as defined in Section 42(d) of the Code) of any building in the project since last certification submission:  
 NO CHANGE               CHANGE  
 If "Change", state nature of change (e.g., a common area has become commercial space, a fee is now charged for a tenant facility formerly provided without charge, or the project owner has received federal subsidies with respect to the project which had not been disclosed to the allocating authority in writing) on page 3:
9. All tenant facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups, and appliances were provided on a comparable basis without charge to all tenants in the buildings:  
 YES                       NO
10. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit or the next available unit of comparable or smaller size to tenants having a qualifying income before any units were or will be rented to tenants not having a qualifying income:  
 YES                       NO
11. If the income of tenants of a low-income unit in any building increased above the limit allowed in Section 42(g)(2)(D)(ii) of the Code, the next available unit of comparable or smaller size in that building was or will be rented to residents having a qualifying income:  
 YES                       NO
12. An extended low-income housing commitment as described in section 42(h)(6) was in effect, including the requirement under section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate of eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437s. Owner has not refused to lease a unit to an applicant based solely on their status as a holder of a Section 8 voucher and the project otherwise meets the provisions, including any special provisions, as outlined in the extended low-income housing commitment (not applicable to buildings with tax credits from years 1987-1989):  
 YES                       NO                       N/A
13. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42(h)(5) of the code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code.  
 YES                       NO                       N/A
14. There has been no change in the ownership or management of the project:  
 NO CHANGE               CHANGE  
 If "Change", complete page 3 detailing the changes in ownership or management of the project.

**Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. In addition, any individual other than an owner or general partner of the project is not permitted to sign this form, unless permitted by the state agency.**

The project is otherwise in compliance with the Code, including any Treasury Regulations, the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

\_\_\_\_\_  
 (Owner Name)

\_\_\_\_\_  
 (Owner Signature)

\_\_\_\_\_  
 (Date)

**PLEASE EXPLAIN ANY ITEMS THAT WERE ANSWERED "NO", "CHANGE" OR "FINDING" ON QUESTIONS 1-14.**

Ques. #	Explanation

**CHANGES IN OWNERSHIP OR MANAGEMENT**  
 (to be completed **ONLY** if "CHANGE" marked for question 14 above)  
**TRANSFER OF OWNERSHIP**

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
General Partnership:	
Status of Partnership (LLC, etc):	

**CHANGE IN OWNER CONTACT**

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

**CHANGE IN MANAGEMENT CONTACT**

Date of Change:	
Management Co. Name:	
Management Address:	
Management city, state, zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	

**NEW JERSEY HOUSING AND FINANCE AGENCY**  
**LOW INCOME HOUSING TAX CREDIT**  
**PROJECT STATUS FORM**

**Property Name:**

**LIHTC #:**

**Ownership Name:**

**General Partner's Contact Name:**

**Phone #:**

**Limited Partner's Contact Name:**

**Phone #:**

Please check off and complete the following information so we can keep our files updated. Please complete all that may apply to your property:

\_\_\_\_\_ Property is currently under construction. We expect a completion date of \_\_\_\_\_.

\_\_\_\_\_ Property has placed in service. The placed in service date is \_\_\_\_\_.

\_\_\_\_\_ The date of the first resident to move in is \_\_\_\_\_.

\_\_\_\_\_ Property is \_\_\_\_\_ % occupied as of the date this form is completed.

\_\_\_\_\_ Property is 100% occupied as of \_\_\_\_\_.

The above information is true and accurate to the best of my knowledge and belief.

\_\_\_\_\_  
SIGNATURE OF OWNER/REPRESENTATIVE

\_\_\_\_\_  
DATE

For Calendar Year Ending 12/31/08

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY  
LOW INCOME HOUSING TAX CREDIT  
ANNUAL PROJECT CERTIFICATION  
for  
Projects with a Special Needs Component**

This property, in receiving its allocation of low income tax credits, was selected in part due to the commitment on the part of the owner to provide \_\_\_ (number) services for a population with special needs. As part of NJHMFA monitoring, we are requesting the owner to complete and submit the following information:

Project Name: \_\_\_\_\_  
Project Address: \_\_\_\_\_

LITC #: \_\_\_\_\_

Credit Year: \_\_\_\_\_

Was this project awarded credits out of the Special Needs Cycle? \_\_\_\_\_

Total No. of Units: \_\_\_\_\_

Total No. of Low Income Units: \_\_\_\_\_

No. of Units set aside for the special needs component: \_\_\_\_\_

Special Needs Population served: \_\_\_\_\_

Name, title and phone number of person completing this Certification: \_\_\_\_\_

I. Attach a job description for the person who provides social services

II. Attach copies of the monthly newsletters and/or calendar of events for 2008

III. Number of hours per week on-site service coordinator works: \_\_\_\_\_

IV. Provide the following information for the other services being provided to the residents:  
(Attach additional pages.)

- a. Description of service provided
- b. Name of organization that provides this service
- c. Cost of the service and who pays for service (tenant-paid, free of charge, etc.)
- d. Number of residents that are served each month

Please be aware that all information provided is required for NJHMFA LIHTC monitoring and is strictly confidential. Copies of contracts with Social Service Providers must be maintained along with other project records and must be furnished upon request by NJHMFA. During the on-site visit, NJHMFA personnel may wish to review files in regard to services and speak to various participants regarding the special needs components of the project.

NOTE: Failure to comply with the special needs requirements of the application is grounds for a determination of noncompliance.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

For Calendar Year Ending 12/31/08

**NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY  
LOW INCOME HOUSING TAX CREDIT  
ANNUAL PROJECT CERTIFICATION  
for  
Projects with Social Service Models**

This property, in receiving its allocation of low income tax credits, was selected in part due to the commitment on the part of the owner to provide \_\_\_ (number) social service programs for the tenants. As part of NJHMFA monitoring, we are requesting the owner to complete and submit the following information:

Project Name \_\_\_\_\_  
Project Address \_\_\_\_\_

LITC # \_\_\_\_\_  
Credit Year: \_\_\_\_\_

Name, title and phone number of person completing this Certification:  
\_\_\_\_\_

- I. Attach a job description for the person who provide social services
- II. Attach copies of the monthly newsletters and/or calendar of events for **2008**
- III. Number of hours per week on-site service coordinator works (if applicable): \_\_\_\_\_
- IV. Provide the following information for the other services being provided to the residents:  
(Attach additional pages.)
  - a. Description of service provided
  - b. Name of organization that provides this service
  - c. Cost of the service and who pays for service (tenant-paid, free of charge, etc.)
  - d. Number of residents that are served each month

Please be aware that all information provided is required for NJHMFA LIHTC monitoring and is strictly confidential. Copies of contracts with Social Service Providers must be maintained along with other project records and must be furnished upon request by NJHMFA. During the on-site visit, NJHMFA personnel may wish to review files in regard to services and speak to various participants regarding the special needs components of the project.

NOTE: Failure to comply with the social service requirements of the application is grounds for a determination of noncompliance.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**YEAR 15 STATUS REPORT  
(Pre-1990 Projects)**

Project Name: \_\_\_\_\_

LITC #: \_\_\_\_\_

1st year of credit period: \_\_\_\_\_

Please be advised the 15 year compliance period for the above-referenced project ends on \_\_\_\_\_ . At the end of the compliance period, I plan to do the following:

I intend to keep the property affordable.

I intend to sell the property to a buyer who will keep it affordable. Buyer's name (if known): \_\_\_\_\_

I intend to convert the property to market rate housing.

I intend to sell the property to a buyer who will convert the property to market rate housing. Buyer's name (if known): \_\_\_\_\_

I would like to keep the property affordable, and request information from HMFA on programs available for the preservation of affordable housing.

I have not yet decided.

Other: \_\_\_\_\_

\_\_\_\_\_  
(Ownership Entity)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Title)



## **NJHMFA EXTENDED USE PERIOD MONITORING PROCEDURES**

Section 42(h)(6) of the Internal Revenue Code requires an extended low-income housing commitment of at least 15 years in addition to the compliance period. Such requirement is applicable to all properties awarded housing credits starting in 1990. The exact term of the extended use period for each tax credit property can be found in its Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy.

New Jersey Housing and Mortgage Finance Agency has established the following procedures to enforce compliance with the extended use agreement. Unless specifically addressed below, the compliance requirements during the extended use period shall remain the same as those requirements established by HMFA during the initial compliance period.

### ***Reporting Requirements and Monitoring Fees***

The Owner's Certificate of Continuing Program Compliance and the annual Building Status Report shall be submitted by January 31 of each year during the extended use period, along with a monitoring fee of \$20 per low-income unit. HMFA reserves the right to adjust the fee as needed to cover monitoring expenses.

### ***Monitoring Policy***

Each property shall be inspected at least once every five years, starting with the 5<sup>th</sup> year following the last inspection. Ten percent of the units (minimum of 3 and maximum of 15) shall be physically inspected and ten percent of the tenant files shall be audited. The units selected for file review may differ from those receiving a physical inspection.

NJHMFA reserves the right to inspect additional files, units, or buildings as needed to ensure compliance.

### ***Annual Recertification***

Owners shall not be required to complete a full recertification each year; however, shall have the resident complete a self-affidavit listing all household members, rent amount, and income. This self-affidavit shall be signed and dated by all members of the household, age 18 and older, and the project owner or management agent.

This form shall be completed at least once every 12 months.

### ***Applicable Fraction***

The applicable fraction for a building shall be determined by the unit fraction. Square footage of the units will no longer be used to determine the applicable fraction.

### ***Full Time Students***

HMFA shall not require documentation of student status.

### ***Unit Transfers***

Unit transfers from building to building shall be permitted regardless of whether a household's income is over the applicable income limit at the time of transfer.

### ***Available Unit Rule***

If a household's income goes over 140% of the applicable income limit, a currently vacant unit or the next available unit of same or smaller size in the same building shall be rented to a qualified household. This will be a one for one unit replacement.

### ***Eviction***

The eviction or termination of tenancy of an existing tenant of any low-income unit (other than for good cause) shall be prohibited throughout the term of the compliance and extended use periods.

### ***Noncompliance***

If an owner fails to comply with the monitoring requirements during the extended use period, a notice of noncompliance shall be issued. A 30-day period shall be allowed to correct any deficiencies. If an additional 30-day correction period is needed to correct the noncompliance, a request must be made in writing. If the noncompliance is still not corrected after the 30 or 60 days, the owner and/or management company shall be considered to be "not in good standing" with the Agency's Tax Credit Division. Once the noncompliance is corrected, this designation shall be removed. As long as an owner or management company remains "not in good standing" they are ineligible to be part of the development team for any new tax credit awards. The Agency also has the right to enforce specific performance through the court system.

# OWNER'S CERTIFICATION OF COMPLIANCE DURING THE EXTENDED USE PERIOD

New Jersey Housing and Mortgage Finance Agency

<b>Certification Dates:</b>	<b>From:</b> January 1, 2008	<b>To:</b> December 31, 2008	
<b>Project Name:</b>		<b>Project No:</b>	
<b>Project Address:</b>		<b>City:</b>	<b>Zip:</b>
<b>Tax ID# of Ownership Entity:</b>			

The undersigned \_\_\_\_\_ on behalf of \_\_\_\_\_ (the "Owner"), hereby certifies that:

1. The required applicable fraction has been met for each building by leasing units to individuals or families whose income is 50% or 60%, as irrevocably elected by the owner at the time of allocation, or less of the area median gross income (including adjustments for family size) as determined in accordance with Section 42 of the Internal Revenue Code (Code).

YES  NO

If "NO", list the applicable fraction for each building in the project for the certification year on page 3.

2. The owner has received an Initial Tenant Income Certification from each low-income resident and documentation to support that certification, and if the property contains both low-income and market units, the owner has also received an annual Tenant Income Certification from each low-income resident:

YES  NO

3. Each low-income unit in the project has met the required rent restriction(s):

YES  NO

4. All low-income units in the project are and have been for use by the general public:

NO FINDING  FINDING

5. No finding of discrimination under the Fair Housing Act, 42 U.S.C. 3601-3619, has occurred for this project. A finding of discrimination includes an adverse final decision by the Secretary of Housing and Urban Development (HUD), 24 CFR 180.680, an adverse final decision by a substantially equivalent state or local fair housing agency 42 U.S.C. 3616a(a)(1), or an adverse judgment from a federal court.

YES  NO

6. Each Building in the project is and has been suitable for occupancy, taking into account local health, safety, and building codes (or other habitability standards), and the state or local government unit responsible for making building code inspections did not issue a report of a violation for any building or low income unit in the project.

YES  NO

If "NO", state nature of violation on page 3 and attach a copy of the violation report and any documentation of correct.

7. All tenant facilities included in the eligible basis under Section 42(d) of the Code of any building in the project, such as swimming pools, other recreational facilities, parking areas, washer/dryer hookups, and appliances were provided on a comparable basis to all tenants in the buildings:

YES  NO

## OWNER'S CERTIFICATION OF COMPLIANCE DURING THE EXTENDED USE PERIOD

8. If a low-income unit in the project has been vacant during the year, reasonable attempts were or are being made to rent that unit to tenants having a qualifying income before any units were or will be rented to tenants not having qualifying income:

YES  NO

9. If the income of tenants of a low-income unit in any building increased above 140% of the applicable income limit, the next available unit in the building was or will be rented to residents having a qualifying income:

YES  NO

10. An extended low-income housing commitment as described in IRS Section 42(h)(6) was in effect, including the requirement under Section 42(h)(6)(B)(iv) that an owner cannot refuse to lease a unit in the project to an applicant because the applicant holds a voucher or certificate or eligibility under Section 8 of the United States Housing Act of 1937, 42 U.S.C. 1437s.

YES  NO

11. Owner has not refused to lease a unit to an applicant based solely on their status as a holder of Section 8 voucher and the project otherwise meets the provisions, including any special provisions, as outlined in the extended low-income housing commitment.

YES  NO

12. The owner received its credit allocation from the portion of the state ceiling set-aside for a project involving "qualified non-profit organizations" under Section 42(h)(5) of the Code and its non-profit entity materially participated in the operation of the development within the meaning of Section 469(h) of the Code (Note: answer N/A if allocation was NOT received from non-profit set-aside).

YES  NO  N/A

13. There has been no change in the ownership or management of the project:

NO CHANGE  CHANGE

If "Change", complete page 3 detailing the changes in ownership or management of the project.

Note: Failure to complete this form in its entirety will result in noncompliance with program requirements. An owner or general partner of the project is required to sign this form.

This project is otherwise in compliance with the applicable State Allocation Plan, and all other applicable laws, rules and regulations. This Certification and any attachments are made UNDER PENALTY OF PERJURY.

By: \_\_\_\_\_

Title: General Partner

Date: \_\_\_\_\_

**OWNER'S CERTIFICATION OF COMPLIANCE DURING THE EXTENDED USE PERIOD**

**PLEASE EXPLAIN ANY ITEMS THAT WERE ANSWERED "NO", "CHANGE" OR "FINDING" ON QUESTIONS 1-14.**

**CHANGES IN OWNERSHIP OR MANAGEMENT**  
 (to be completed ONLY if "CHANGE" marked for question question 15 above)

Question #	Explanation

**TRANSFER OF OWNERSHIP**

Date of Change:	
Taxpayer ID Number:	
Legal Owner Name:	
General Partnership:	
Status of Partnership (LLC, etc):	

**CHANGE IN OWNER CONTACT**

Date of Change:	
Owner Contact:	
Owner Contact Phone:	
Owner Contact Fax:	
Owner Contact Email:	

**CHANGE IN MANAGEMENT CONTACT**

Date of Change:	
Management Co. Name:	
Management Address:	
Management City, State, Zip:	
Management Contact:	
Management Contact Phone:	
Management Contact Fax:	
Management Contact Email:	