

**CONSOLIDATED PLAN
FY 2007
ACTION PLAN**



**State of New Jersey
Jon Corzine, *Governor***

**Department of Community Affairs
Susan Bass Levin, *Commissioner***

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EXECUTIVE SUMMARY

The Consolidated Plan outlines Governor Jon Corzine's major initiatives and resources to address the housing, community and economic development needs of the State. Over the next year, the Corzine Administration will allocate State and federal funds as well as private resources to address the goals identified in the State's 2005-2009 Consolidated Plan (five-year plan).

The 2007 Action Plan is the one-year implementation plan with specific activities and goals for how the following programs will address the prioritized needs identified in the five year plan:

1. Community Development Block Grant Program (CDBG)
2. Emergency Shelter Grant Program (ESG)
3. HOME Investment Partnerships Program (HOME)
4. Housing Opportunities for Persons with AIDS (HOPWA)

During FFY 2007, the State will address the following housing and community development goals identified in the five-year plan. Priority will be given to projects that carry out neighborhood revitalization, create new affordable housing units, provide rental assistance and expand services for the homeless and other special needs groups.

1. Increase the number of affordable housing units built for our most vulnerable populations.
2. Continue to provide housing opportunities for low and moderate-income households and housing assistance to very- low and low-income households.
3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.
4. Support local jurisdictions' planning processes to reduce and end homelessness.
5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.
6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.
7. Promote lead-based paint education and abatement efforts.
8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.
9. Improve and preserve the existing affordable housing stock.

10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.
11. Reduce regulatory barriers to developing affordable housing.
12. Promote fair housing practices and educate the public about the benefits of and the need for affordable housing.
13. Establish a homeless prevention program for Division of Youth and Family Services families.

Consolidated Plan Funding

The following table represents the Federal FY 2007 (State FY 2008) formula allocation for the Community Development Block Grant, HOME Investment Partnership, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS Programs.

PROGRAM NAME	FEDERAL FY 2007 ALLOCATION
Community Development Block Grant	\$8,296,907
Emergency Shelter Grant	\$1,604,543
HOME Investment Partnership	\$7,066,882
Housing Opportunities for People With AIDS	\$1,056,000
American Dream Downpayment Initiative	\$202,491
TOTAL ALLOCATION	\$18,226,823

Geographic Distribution of Funds

The State of New Jersey distributes the formula funds through a competitive, open process via the Department of Community Affairs' System for Administering Grants Electronically (SAGE) and therefore cannot predict the ultimate geographic distribution of these funds. Feasible projects submitted that are ready to proceed will receive priority.

The State is committed to addressing housing, economic and community development needs statewide, and will utilize the New Jersey State Development and Redevelopment Plan to identify specific areas of the state for revitalization. The purpose of the Plan is to coordinate planning activities and establish statewide planning objectives in the following areas: land use, housing, economic development, transportation, natural resource conservation, agriculture and farmland retention, recreation, urban and suburban redevelopment, historic preservation, public facilities and services, and intergovernmental coordination (N.J.S.A. 52:18A-200(f)).

The major goals of the State Development and Redevelopment Plan are:

- To revitalize the state's cities and towns by protecting, preserving and developing the valuable human and economic assets in cities, towns and other urban areas.
- To conserve the state's natural resources and systems by promoting ecologically sound development and redevelopment.
- To promote beneficial economic growth, development and renewal for all residents of New Jersey, particularly the poor and minority communities through partnerships and collaborative planning with the private sector.
- To protect the environment, prevent and clean up pollution by developing standards of performance and creating incentives to prevent and reduce pollution and toxic missions at the source.
- To provide adequate public facilities and services at a reasonable cost.
- To provide adequate housing at a reasonable cost through public/private partnerships that create and maintain a broad choice of attractive, affordable, ecologically designed housing, particularly for those most in need.
- To preserve and enhance areas with historic, cultural, scenic, open space and recreational value.
- To ensure sound and integrated planning and implementation statewide.

Actions to meet underserved needs

DCA through the State Rental Assistance Program (SRAP) is helping to address the underserved housing needs of the State. For FY 2007, DCA is allocating approximately \$50 million for tenant and project-based rental assistance. The SRAP vouchers will assist elderly households (aged 65 and older), disabled households, homeless families, and very low-income households (up to 40 percent of county median income). In addition, DCA, HMFA and DHS have

been working to overhaul the State's child welfare system. The \$650 million dollar effort is directed at reforming the administrative process and services provided to foster care and adoptive families and the children they raise. DCA and HMFA are playing an instrumental role in addressing the common difficulties that impinge on a child's well being, which include problems caused when families are homeless, mothers are victims of domestic violence, or when children who have been in the foster care system "age out" with no life skills or resources with which to begin an independent life.

The individual program descriptions are provided in the section listing the resources to support Consolidated Plan goals.

Managing the Process

The New Jersey Department of Community Affairs is the lead agency responsible for administering the HOME, Emergency Shelter Grant and Community Development Block Grant Programs. The New Jersey Department of Health and Senior Services is responsible for administering the Housing Opportunities for Persons with AIDS Program.

While DCA was designated the lead agency in developing the Consolidated Plan, it worked in extensive consultation with other State agencies including the NJ Housing and Mortgage Finance Agency, NJ Department of Health and Senior Services and the NJ Department of Human Services.

The State of New Jersey recognizes that the expeditious delivery of housing services relies on improving and expanding intergovernmental and institutional cooperation on the State, county and local levels to coordinate effectively the delivery of public and private resources. The State, through DCA, HMFA and COAH, has made significant strides in coordinating the policies and programs of government agencies that are direct providers of housing. Improved coordination among agencies is essential since many initiatives require some participation from each of the State agencies.

The Department of Community Affairs will continue to improve the coordination between housing providers and health and service agencies by doing the following:

- Maintaining an excellent working relationship with various State departments, including the Department of Health and Senior Services and the Department of Human Services, in order to implement a statewide homelessness strategy, which includes assisting DYFS families.
- Continuing to build on-going relationships with housing providers who manage, rehabilitate and construct affordable housing and homeless facilities.

- Expanding and improving existing housing programs.
- Coordinating the services of the HMFA's first-time homebuyer programs with DCA's Section 8 Homeownership Program.

Citizen Participation Process

In accordance with the federal regulations, New Jersey used the following citizen participation process to ensure adequate public participation with the FY 2007 Consolidated Plan.

- A developmental draft was posted on the web site on February 28, 2007. A developmental hearing was held on March 26, 2007 and written comments were accepted until April 2, 2007. Advocates representing nonprofits, very low and low-income households provided comments.
- DCA posted the final draft plan on the Division of Housing's website for public review and comment on April 5, 2007.
- DCA held a public hearing on April 23, 2007 in conference room 129 from 10:00 AM to 12:00 PM.
- Additionally, a legal notice describing the availability of the Consolidated Plan Draft, its contents, and information about the public hearings was advertised in the following three regional newspapers: The Bergen Record, The Star Ledger and The Atlantic City Press.

Each notice clearly stated the length of the public comment period, where the draft plan was available for review, and the addresses to which comments should be mailed, e-mailed or faxed. This notice was also published on DCA's Division of Housing's website: <http://www.nj.gov/dca/dh>. The Plan was available in draft form for a public comment period beginning on April 5, 2007 and closing on May 7, 2007.

DCA received comments from 6 people. The majority of the comments received dealt with the following: 1) requests for additional data about the programs that support the four CPD programs; 2) requests for additional housing needs data; 3) an update on how the State was progressing towards affirmatively furthering fair housing; and 4) suggested initiatives the State should pursue to address barriers to affordable housing. The majority of the comments presented at the developmental hearing were incorporated. The verbal and written comments received as a result of the final draft were carefully reviewed and addressed. All comments suggesting programmatic and policy changes that would require legislative changes or funding to implement were given to the Administration for consideration.

Institutional Structure

The State will pursue the following actions next year to develop institutional structure and enhance coordination between public and private housing and social services.

- *Coordination of housing development with economic opportunities and community development:* This comprehensive approach, which ties job opportunities and social services to housing revitalization, will help stabilize depressed areas as well as promote self-sufficiency of the area's residents.
- *Provision of planning and technical assistance for non-urban counties/ municipalities:* Non-urban communities often do not make affordable housing a financial or political priority. This creates a severe problem in rural counties where hundreds of subsidized units are lost through prepayment of HUD and FHA mortgages. Remedial actions to be undertaken by DCA will include outreach, education and technical assistance to these rural areas.

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- Continuing to build on-going relationships with housing providers who manage, rehabilitate and construct affordable housing and homeless facilities.
- Expanding and improving existing housing programs.
- Continuing to coordinate the services of the HMFA's first-time homebuyer programs with DCA's Section 8 Homeownership Program.
- Providing professional development training to the state's public housing

authority managers. DCA sponsors a comprehensive training program for executive directors and commissioners of the state's 84 local housing authorities. The program, developed in cooperation with two statewide housing associations, provides courses in areas such as ethics and resident initiatives. The resident initiative course encourages housing authority managers to allow public housing residents to become more involved in management and participate in homeownership.

- Coordinating the services of the Council on Affordable Housing with municipalities to support the production of affordable housing. COAH advises and assists local governments to develop strategies to meet local needs for affordable housing, including the review of regional contribution agreements which support the rehabilitation and construction of affordable housing in communities of greatest need.

Monitoring

Each grantee and sub-recipient receiving federal funds from DCA will be monitored in the following manner:

- Receive an explanation of grant requirements and deadlines.
- Receive at least two field visits during the duration of the contract. During the field visits, Departmental staff will: 1) review the grantees' files to ensure that statutory and regulatory requirements are being adhered to; 2) conduct a physical inspection of the site, if applicable; and 3) meet with staff members. Any deficiencies identified will be addressed and corrected immediately. Additional monitoring visits will be scheduled, if needed.
- Periodic telephone calls to check on the status of the grant and resolve any problems.

In addition to monitoring the progress of grantees, DCA's Division of Housing and Division of Community Resources have devised internal controls that ensure adherence to the goals, objectives, and regulations applicable for each program. These controls include monthly reporting that is directly linked to the goals and objectives of the program, development and tracking of work plans that provide timelines for completion of program activities, and consistent re-evaluation of the grant processes to ensure effectiveness and efficiency.

DCA will also monitor how each of the HUD programs are progressing. Monthly IDIS reports will be created to determine the number and type of activities set-up, amount of funds committed and dispersed. These reports will help determine whether funds for the program activities are being distributed according to the goals and objectives identified in the Consolidated Plan and whether they are sufficient. Any impediments identified will be addressed.

Lead-based Paint

During FFY 2007, the Indoor Environmental Hazards Unit (IEHU) will have available approximately \$10 million in Lead Hazard Control Assistance Funds. These are State funds which are placed into a Trust Account exclusively for the purposes of identifying lead-based paint hazards, remediation and control of lead-based paint hazards, relocation of households with children with elevated blood lead levels to lead-safe housing, education/outreach and training to improve awareness of the dangers of lead-based paint and how to live safely with lead-based paint and the development and maintenance of a Lead-Safe Housing Registry which categorizes NJ residential property into one of four categories: Lead Free, Lead-Free Interior, Lead Hazard Controlled or Lead Abated.

Approximately \$1 million each Fiscal Year is devoted to education/outreach and training. This includes funding of a toll-free lead hotline 877-DCA-LEAD, a lead website at www.lead safenj.org , grants to nonprofit organizations to perform community outreach and education, statewide public awareness campaigns and targeted mailings and outreach to high risk communities. Education/outreach efforts will reach over 100,000 NJ residents during SFY'08. Funds will also be used to create lead training videos, provide reduced cost training to NJ residents interested in taking the Lead-safe Maintenance Course as well as other lead courses. The IEHU projects training 1,000 individuals in LSM courses during the year.

Through continued funding from the DHSS or a combination of funding from the LHCA Fund and the DHSS, the Wipe Out Lead dust kit program will provide free lead dust kits to families with children under the age of 6 or families which include pregnant women. The IEHU projects 300 households each FY will receive dust wipe kits from the administering agency. The follow-up for positive test wipe results includes referral to other DCA programs for assistance in further investigation and identification of lead hazards and lead remediation.

The IEHU projects funding the abatement of lead-based paint hazards from approximately 250 housing units each FY through the LHCA loan program expending an estimated \$7million.

The IEHU projects relocation to temporary housing during abatement of lead-based paint hazards or permanent relocation to new lead-safe housing for 100 households expending an estimated \$1.5million.

Objectives and Outcomes

Objective #1: Suitable Living Environment		
Outcome 1: Enhance suitable living environment through improved/new Accessibility	Outcome 2: Enhance suitable living environment through improved/new affordability	Outcome 3: Enhance suitable living environment through improved/new sustainability
Number of units that have been modified to improve accessibility for special needs populations for the purpose of creating a suitable living environment	Number of units made more energy efficient through LIHEAP and Weatherization funds for the purpose of creating a suitable living environment	Number of homeless individuals and families provided needed support services to become self-sufficient for the purpose of creating a suitable living environment
Number of units that have been rehabilitated to provide access to DYFS and adopted children for the purpose of creating a suitable living environment		Number of households that have access to public sewer and potable water for the purpose of creating a suitable living environment
Number of homeless persons who have access to a shelter for the purpose of creating a suitable living environment		Number of units where lead-based paint hazards have been mitigated for the purpose of creating a suitable living environment
Objective #2: Decent Affordable Housing		
Outcome 1: Create decent housing with improved/new availability	Outcome 2: Create decent housing with improved/new affordability	Outcome 3: Create decent housing with improved/new sustainability
Number of new affordable housing units built for low-income households for the purpose of creating affordable housing	Number of households provided with on-going rental assistance for the purpose of creating affordable housing	Number of "Green" sustainable/energy-efficient units built for the purpose of creating affordable housing
Number of new rental units built for moderate-income for the purpose of creating affordable housing	Number of persons living with HIV/AIDS that were assisted with on-going housing subsidies for the purpose of creating affordable housing	Number of existing housing units rehabilitated for the purpose of creating affordable housing
Number of new shelter beds created for homeless individuals and families for the purpose of creating affordable housing	Number of households that received down payment assistance and below-market rate mortgages to become first-time homebuyers for the purpose of creating affordable housing	Number of existing housing units preserved for the purpose of creating affordable housing
Objective #3: Creating Economic Opportunities		
Outcome 1: Provide economic opportunity through improved/new accessibility	Outcome 2: Provide economic opportunity through improved/new affordability	Outcome 3: Provide economic opportunity through improved/new sustainability
Number of jobs created for low- and moderate-income households for the purpose of creating economic opportunity	Number of towns provided with Special Improvement District Grants and Loans for the purpose of creating economic opportunity	Number of local jurisdictions that implement Smart Growth planning initiatives for the purpose of creating economic opportunity.
		Number of Main Streets provided with technical assistance for the purpose of creating economic opportunity
		Number of building facades, streetscapes rehabilitated for the purpose of creating economic opportunity

Evaluation of Past Performance

This section of the plan summarizes the State's performance during State Fiscal Year 2006, Federal Fiscal Year 2005. A review of the statistics shows that the State is meeting the objectives stated in its annual Action Plan. The Department of Community Affairs is therefore satisfied with the State's overall progress in meeting its goals.

1. The State through the following programs committed the following funds to produce affordable units for low and moderate income households:
 - *Deep Subsidy Program*: \$1.6 million to create 50 units.
 - *HOME Program* \$2.1 million to create 42 affordable units.
 - *Neighborhood Preservation Balanced Housing Program*: \$38 million produced 1,129 affordable housing units for very-low, low and moderate-income households. Please note that remainder of the funds collected from the Realty Transfer fees went to support the following programs: Home Express (\$58 million), SRAP (\$37 million), Office of Housing Advocacy (\$5 million) and UHORP (\$12 million).
 - Multi-Family Rental Housing Program: \$345 million to provide construction, rehabilitation and/or permanent financing for 5,678 units.
 - Federal Low Income Housing Tax Credit Program: HMFA allocated over \$25 million in competitive and non-competitive tax credits to support the production of housing units.
2. The State through the following programs provided housing opportunities to low and moderate-income households:
 - Home Buyer Program: \$100 million provided 1,819 families with home mortgages.
 - Smart Start Program: 439 families purchasing in Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan received close to \$2.3 million in down payment and closing cost assistance.
 - American Dream Down Payment Initiative: 55 households received \$360,000 in down payment and closing cost assistance.

In addition, the State through the following programs provided housing assistance :

- Section 8 Housing Choice Voucher Program spent over \$170 million of federal funds to provide rental assistance to 17,892 households.
 - State Rental Assistance Program provided \$6.2 million for rental assistance to 642 households and committed \$3.6 million for one year expenditures for 405 project-based units.
3. The DCA through the following programs assisted homeless individuals and families with housing and support services:
- *Community Services Block Grant Program* provided \$17.3 million to 26 Community Action Agencies and other eligible community-based organizations. These agencies provided services including, emergency assistance for food, clothing and shelter, alcoholism counseling and treatment, transportation, job training, child care, educational products and ,housing initiatives to 475,316 individuals and 150,718 families.
 - *Emergency Shelter Grant/Shelter Support Program*: \$9.6 million to eliminate health and safety violations in existing emergency shelters and to rehabilitate properties to create new emergency shelters and transitional housing facilities. These funds helped assist 2,238 residents.
 - *Housing Opportunities for People with AIDS*: \$1.2 million of State and local HOPWA grants to provide housing assistance and supportive services to over 208 low-income households with HIV/AIDS.
 - *Shelter Plus Care Program* provided rental assistance and supportive services to 119 homeless individuals and families.
4. The DCA worked with the local Continuum of Care to develop strategies to reduce homelessness. During FY 2006, the Department of Community Affairs served as the “project sponsor” for 15 Shelter Plus Care grants and 2 transitional housing grants.
5. The State continued to encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.
6. The Office of Housing Advocacy provided technical assistance to nonprofit organizations and other community-based groups interested in developing or preserving affordable housing.
7. The Lead-Based Paint unit continued its lead poisoning prevention efforts through a major media campaign and utilized the Lead Hazard Control and Lead Intervention funds to abate 32 homes.

8. The State, through its housing and community development programs, assisted municipalities implement the policy goals cited in the State Redevelopment and Development Plan.
 - The Office of Smart Growth promoted well-planned, well-managed growth that added new homes and created new jobs, while preserving open space, farmland and environmental resources.
 - *Neighborhood Preservation Program* promoted the restoration of 41 threatened but viable neighborhoods. Activities included the rehabilitation of owner-occupied homes, commercial facades and various types of infrastructure improvements, community education and resident organization development.
9. The State through the following programs improved and preserved existing affordable housing stock.
 - *Housing Preservation Program* preserved affordable housing units in HMFA financed projects. Other priorities included preserving other affordable units, which would be lost to the market, and preserving units in need of substantial repair.
 - *Low Income Housing Energy Assistance/Weatherization Programs*: The DCA utilized \$9.4 million to weatherize 2,800 units. These services went to assist the elderly, handicapped and low-income persons in weatherizing their homes, improving heating system efficiency and conserving energy.
 - *Multifamily Housing Preservation Financing* preserved multifamily housing by preventing deterioration and abandonment.
10. The DCA through the following programs supported community and economic development programs:
 - *Special (Business) Improvement Districts (SIDs)* provided information and referral to more than 50 municipalities and consultants regarding technical assistance issues and grants available to municipalities to establish SIDs.
 - *Downtown Business Improvement Zone* did not fund any projects in 2006. However, projects will be funded in 2007 for capital improvements in downtown business improvement zones.
 - *Main Street* provided intensive technical assistance to 30 active designated communities in the areas of downtown management, economic development strategies, promotion and marketing and enhancing the physical appearance of their historic downtowns. These efforts have to date resulted in the creation of 8,148 new jobs, 571,220 volunteer hours, 1,650 new businesses and have brought over \$546.3

million in private reinvestment into these central business districts.

- *Small Cities Community Development Block Grant Program* awarded 18 public facilities grants, 12 housing rehabilitation grants, 1 grant for employment development and 2 grants for innovative development.

11. The State continued to pursue initiatives to reduce regulatory barriers to affordable housing.

12. The State through all of its production and technical assistance programs continued its education efforts about the need to provide decent, safe and affordable housing.

13. The State established several programs to prevent DYFS families from becoming homeless. These programs include:

- *Deep DYFS Subsidy Program for Permanent Rental Housing* provides funds to create permanent rental housing for low-income DYFS families and families who have children with special needs.
- *Emergency Housing Providers Development Program* provides subsidy funds to nonprofit developers to lower the construction costs of housing developed for DYFS clients.
- *HMFA/DYFS Home Opportunities Program* provides low interest financing to nonprofit organizations, for-profit developers and public entities for the acquisition of land and buildings, including rehabilitation of existing buildings.
- *Homeownership for Permanency Program* provides loans to families that are newly adopting children or becoming legal guardians through DYFS.
- *Shelter Housing Exit Program* provides short- and long-term assistance to victims of domestic violence and their children who are receiving shelter or transitional housing services from domestic violence programs.
- *Resource Family Home Rehabilitation Program* provides rehabilitation loans to resource families to enable them to meet housing standards required by DYFS.

Federal and State Resources

The following is a summary of the State of New Jersey's objectives and the resources that will be used during federal FY 2007:

1. Increase the number of affordable housing units built for our most vulnerable populations (0-30% of area median income)

Deep Subsidy Program provides subsidy financing for eligible projects having a total of ten or more affordable units of which at least one unit is affordable to a very low-income household.

Special Needs Housing Trust Fund “Trust Fund”, pursuant to the Special Needs Housing Trust Fund Act, P.L. 2005, c. 163, provides capital financing to create permanent supportive housing and community residences for individuals with special needs, with priority given to individuals with mental illness. The purpose of this special non-lapsing, revolving fund, which is being administered by the HMFA, is to develop special needs housing and residential opportunities as alternatives to institutionalization or homelessness for those who would benefit from these programs and to ensure the long-term viability of such housing. The Trust Fund provides capital financing in the form of loans, grants, and other financial vehicles and investments to eligible not-for-profit and for-profit developers as well as government entities at the state, county, and municipal levels, for special needs housing projects costs, including the acquisition of land, building(s), rehabilitation, new construction, or conversion of building(s) as permanent or trans-permanent rental apartments/units and community residences for people with special needs. Funding for rent and operating subsidies and supportive services is not available through the Trust Fund.

Special Needs Revolving Loan Program provides low-interest loans to for-profit and nonprofit organizations developing housing for individuals and families with special needs. The program is designed to provide financing for projects intended to serve populations eligible for established HMFA special needs programs as well as newly emerging special needs populations identified by State agencies.

Uniform Housing Affordability Controls require rental housing developments to provide a deeper subsidy to ensure that a portion of the units are affordable to very low-income households.

2. Continue to provide housing opportunities for low and moderate-income households and housing assistance to very- low and low-income households.

Housing Opportunities

100% Mortgage Program provides 100% mortgage loans to first-time homebuyers and urban target area buyers purchasing homes located in pre-approved new construction or rehabilitated single-family housing developments. No down payment or mortgage insurance is required.

Choices in Home Ownership Incentives Created for Everyone (CHOICE) provides a menu of home ownership production options that can be mixed and matched to meet local conditions and goals, allowing for a mix of income opportunities within a neighborhood or municipality. The program provides

construction financing jointly with a private lender (50% HMFA and 50% private lender). Subsidies are provided for the affordable housing units and emerging market units. The purchasers of the homes may be eligible for homebuyer below market interest-rate loans and closing cost/down payment assistance.

Developmental Disabilities Home Ownership Program assists individuals with disabilities to purchase a home and modify a residence to make it accessible for the prospective homeowner. The program is available to prospective borrowers who have a developmental disability and persons who are at least 18 years of age referred by Division of Developmental Disabilities (DDD).

Home Express offers financing subsidies to developers of affordable rental housing under a streamlined application process. Funded with Balanced Housing monies, the program allows developers to apply for Balanced Housing subsidies at the same time they apply for both HMFA mortgage financing and federal Low Income Housing Tax Credits.

Homeownership for Permanency Program for Adopting Parents provides homeownership mortgage loans to families that are newly adopting children through the Department of Human Services Division of Youth and Family Services or a State-licensed adoption agency, and parents becoming legal guardians. The program provides low-interest rehabilitation loans to families who adopt children and wish to make improvements to their home to accommodate a larger family. The program is designed to support family stability and access to safe, permanent housing.

HOME - CHDO Production Program provides non-interest bearing, interest bearing and deferred loans, and grants to certified State Community Housing Development Organizations for the purpose of creating affordable housing for low and moderate-income households throughout the state.

HOME – Housing Production Investment Fund provides non-interest bearing, interest bearing and deferred loans, and grants to for-profit and nonprofit developers for the purpose of creating affordable housing for low and moderate-income households throughout the state

Low-Income Housing Tax Credit Allocation Program was created by Section 42 of the Internal Revenue Code of 1986, which may be applied against the federal income tax of persons, or associations who have invested in certain buildings providing housing for low-income families.

The tax credit, rather than a direct federal subsidy, provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income. Tax credit interest may be syndicated or sold to generate equity for the developments, thus reducing the necessary mortgage financing and providing more affordable terms.

Multi-Family Rental Housing Program provides low-interest financing for

construction, rehabilitation and/or permanent financing loans for the creation and/or preservation of multi-unit rental housing for low- and moderate-income families and individuals. The funding is through the sale of taxable and tax-exempt housing revenue bonds.

Municipal Land Acquisition Program (MLA) will provide funds to eligible municipalities for acquisition of land and/or property for the construction of affordable housing. Affordable housing may be developed and/or owned by the municipality or by an agent of the municipality or the municipality may select a developer to build the affordable housing.

Neighborhood Preservation Balanced Housing furthers the Mount Laurel Doctrine by creating housing opportunities in viable neighborhoods for households of low- and moderate-income. Assistance is provided to municipalities that fall into one of the following categories: 1) The municipality has received Substantive Certification from the Council on Affordable Housing (COAH); 2) The municipality has entered into a judicially approved compliance agreement to settle its fair share housing obligation; 3) The municipality is subject to a court-ordered builder's remedy 4) The municipality has been designated as a receiving municipality under a regional contribution agreement and the project plan has been approved by COAH; and 5) The municipality has petitioned COAH for substantive certification or COAH has passed a resolution stating that the municipality is eligible in spite of not being certified. The resolution does not require that a petition be pending for substantive certification provided that the affordable housing project will meet all or part of the municipality's low and moderate income housing obligation in its 1987-2014 Housing Element and Fair Share Plan.

Purchase/Refinance Rehabilitation Program provides below-market rate financing for the purchase and substantial rehabilitation of a home or the refinancing and rehabilitation of an owner-occupied home.

Resource Family Home Rehabilitation Program provides rehabilitation loans to low and moderate-income resource families to enable them to meet housing standards required by DYFS.

Reverse Mortgage Program allows seniors to access the equity in their homes to allow them the funds needed to remain in their homes.

Section 8 Home Ownership Program helps qualified DCA Section 8 participants purchase a home using their Section 8 Housing Voucher. Vouchers are applied toward the participant's mortgage and other home ownership expenses.

Small Rental Project Loan Program (5-25) provides funding for small (5-25 unit) rental projects, which includes secondary financing of up to \$35,000 per unit. Projects may include income-restricted units that will allow for subsidies of up to \$35,000 per unit or rent restricted units that allow for subsidies of up to

\$25,000 per unit or a combination of both.

Smart Start Program offers families purchasing homes in HMFA designated Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan a second mortgage for down payment and/or closing costs. Low and moderate-income borrowers earning less than 80% of HMFA's Home Buyer county income limits are eligible to receive 4% of the first mortgage amount. It is available only in conjunction with HMFA's Home Buyer Program mortgage loans.

Housing Assistance

State Rental Assistance Program provides temporary rental assistance, up to five years, to low-income individuals and households. The program is available to state residents who are not currently holders of the federal Section 8 vouchers.

The Housing Choice Voucher Program assists very low-income families, the elderly, and the disabled to afford decent, safe and sanitary housing. Rental units must meet minimum housing quality standards. A housing subsidy is paid to the landlord directly on behalf of the participating family. The family pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. The DCA program is operational in each of New Jersey's 21 counties, and is administered locally in 18 county offices.

3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.

Emergency Shelter Grant, which is under the umbrella of the Shelter Support Program, provides funds to nonprofits and local governments to renovate and construct homeless shelters and transitional housing facilities.

Family Self-Sufficiency (FSS) Program assists families that are receiving housing assistance under the Housing Choice Voucher Program in becoming self-sufficient and self-reliant through the implementation of a jointly developed action plan between the participant and the housing agency. Families participate in a series of job training, career counseling, and education and social service programs.

HOME-Tenant-Based Rental Assistance helps reduce the housing costs of very low-income households by providing direct rent subsidy payments to their landlords. Assistance is provided to participants for a period of up to 24 months.

Housing Opportunities for Persons with AIDS (HOPWA) provides tenant-based rental assistance to persons with HIV/AIDS and their families.

Shelter Housing Exit Program provides security deposits and rental assistance to victims of domestic violence and their children who are currently living in shelters or in transitional housing facilities

Shelter Plus Care Program provides rental assistance to homeless persons with disabilities, in collaboration with local nonprofit agencies under their jurisdictional “Continuum of Care”—the vehicle for homeless planning activities. Funds for this program have been granted in Atlantic, Burlington, Cape May, Essex, Gloucester, Hudson, Middlesex, Monmouth, Morris, Passaic and Warren Counties.

Shelter Support, the umbrella program for the Emergency Shelter Grant program, provides funds to construct new and renovate existing homeless shelters and transitional housing. Assistance is provided to local governmental units and nonprofit organizations.

4. Support local jurisdictions’ planning processes to reduce and end homelessness.

Homeless Management Information Systems (HMIS) The State is coordinating the HMIS Collaborative, which provides a single software solution to homeless prevention agencies to track and manage their client cases. The HMIS Collaborative was created in response to the federal Department of Housing and Urban Development’s mandate that all local agencies develop and implement sophisticated tracking systems for reporting purposes.

The State will also continue to work with the local Continuum of Cares to reduce homelessness.

5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.

Ex-Offenders Re-entry Housing Program provides low-interest loans to for-profit and nonprofit organizations developing transitional, trans-permanent, and permanent support rental housing, including independent and shared housing opportunities with access to supportive services, for adult ex-offenders and juvenile offenders.

Homeless Individuals and Families Supported Housing Demonstration Program provides low-interest match and gap financing to applicants applying to the federal Department of Housing and Urban Development (HUD) to develop permanent supportive housing for homeless individuals and families. Eligible HUD programs include the Interagency Council Collaborative Initiative to Help End Chronic Homelessness and the annual HUD SuperNOFA Continuum of Care Homeless Assistance Programs for Permanent Housing. The program is

designed to support permanent housing solutions to reduce homelessness in New Jersey.

Housing Opportunities for Persons with AIDS – Post Incarcerated Program provides housing assistance to individuals recently released from prison who have HIV/AIDS.

New Jersey Community Housing Demonstration Programs include an array of programs established in partnership with the Department of Human Services (DHS) Divisions of Developmental Disabilities (DDD), Mental Health Services (DMHS), Youth and Family Services (DYFS) and the Commission for the Blind and Visually Impaired (CBVI). These programs assist project sponsors by providing low-interest financing to develop innovative and flexible housing opportunities with support services for individuals and families.

Transitional and Permanent Housing Loan Program for Aging Out Youth provides low-interest financing to organizations and public entities developing service enriched transitional and permanent housing opportunities for youth aging out of foster care, homeless youth and youth leaving the Juvenile Justice System.

6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.

Performance Grants to Nonprofits provides operating support for nonprofit organizations actively involved with the development of affordable housing. Continuation grants are based on grantee agencies' performance. Assistance is provided to nonprofit organizations.

7. Promote lead-based paint education and abatement efforts.

Lead Hazard Control Assistance Fund (LHCA) has \$10 million available to identify and remediate lead-based paint hazards, as well as relocate households with children with elevated blood lead levels to lead-safe housing. LHCA also provides education/outreach and training to improve awareness of the dangers of lead-based paint.

8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.

Green Homes Office provides advocacy, education, technical assistance, grants and subsidies to accelerate the use of innovative green design and building technologies, raise building standards and create a consumer demand for efficient, healthy and environmentally responsible, high performance homes.

Neighborhood Preservation provides for direct financial and technical assistance to municipalities to conduct activities associated with the preservation

of designated neighborhoods based on strategic revitalization plans within those municipalities.

Neighborhood Revitalization Tax Credit Program offers businesses a fifty percent tax credit against various New Jersey State taxes for investing in the revitalization of low- and moderate-income neighborhoods in eligible cities. Funds support the implementation of revitalization plans and projects developed and executed by approved nonprofit organizations.

Neighborhood Revitalization Tax Credit Planning Grants provides grants to eligible community development corporations to support the development of resident-driven Neighborhood Revitalization Tax Credit Plans.

Smart Future Grants provides funds directly to municipalities and counties to support a range of local planning efforts, including community design forums, downtown revitalization efforts, transit-oriented development plans, corridor and grey fields redevelopment planning, green building design planning, and Transfer of Development Rights (TDR) planning efforts.

Smart Start Closing Cost and Down Payment Program helps income-qualified families purchase homes in Smart Growth areas by offering a second mortgage for down payment and/or closing costs.

9. Improve and preserve the existing affordable housing stock.

Housing Preservation Program preserves affordable housing units in HMFA financed projects. Other priorities include preserving other affordable units, which would be lost to the market, and preserving units in need of substantial repair. The Program is funded through the sale of taxable and tax-exempt housing revenue bonds.

Limited Dividend Corporation (LDC) Preservation is required under New Jersey's Limited Dividend Law to maintain affordability controls. DCA defers to the affordability controls of any HUD program to which the building might also be subject.

Low Income Housing Tax Credit (LIHTC) Preservation Set-aside prioritizes the rehabilitation of existing, currently occupied affordable housing projects at risk of losing their affordability controls via a set-aside of competitive credits in its Final Cycle.

Multifamily Housing Preservation Financing is focused on financing preservation projects. HMFA uses a portion of its tax exempt bonding capacity to refinance existing affordable housing projects, thereby allowing for necessary capital improvements and extending the project's affordability controls.

Public Housing Authority Capital Funding Bond Program assists New Jersey's Public Housing Authorities (PHAs) in financing capital funding programs for their public housing units.

Section 8 Single Room Occupancy – Moderate Rehabilitation assists in rehabilitating privately owned, substandard single-room occupancy rental units to provide housing for homeless and very low-income individuals who are eligible for Section 8 rental assistance.

Weatherization Assistance & Low-Income Home Energy Assistance assists elderly, handicapped and low-income persons in weatherizing their homes, improving heating system efficiency, conserving energy and emergency heating assistance. Assistance is provided to low-income occupants and community agencies assisting units occupied by low-income individuals.

10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.

At-Home Downtown Program provides below-market rate mortgage funds to acquire and rehabilitate or refinance and rehabilitate residential structures with a storefront commercial component. Projects are limited to 1-3 apartments plus the commercial unit for a total of four units. The program is available to individuals and investors. The program's objective is to revive the housing potential of the state's downtown areas. No income limits apply.

Brownfields Program supports and facilitates cleanup and redevelopment of properties.

Community Economic Development Initiative is a capacity building program for nonprofit organizations seeking to develop, market, and or manage commercial, retail, or industrial space.

Main Street New Jersey is a nationally recognized professional downtown revitalization program providing business communities with the skills and knowledge to manage their own center business districts, improving the economy, appearance and image of their traditional downtown, through the organization of business persons, local citizens and resources. Technical assistance and education is provided to downtown business organizations.

Small Cities Community Development Block Grant funds economic development, housing rehabilitation, community revitalization and public facility projects designed to principally benefit people of low- and moderate-income, to prevent or eliminate slums and blight or to address local needs of recent origin for which no other source of funding is available. Assistance is provided to non-entitlement municipalities and counties (list available on request).

Special (Business) Improvement Districts (SIDs) provides technical assistance to New Jersey's downtown and business centers to support economic and community development. Assistance is provided to municipalities, nonprofit organizations and business associations.

Special (Business) Improvement District Loans provides loans to make capital improvements within designated downtown business improvement zones. Assistance is provided to municipalities and SID management organizations.

Special (Business) Improvement District Challenge Grants provides dollar-for-dollar matching grants up to \$10,000 to support the technical and professional services needed to establish a SID. Assistance is provided to municipalities.

11. Reduce regulatory barriers to developing affordable housing

New Jersey has a number of policies, programs and proposals to address regulatory barriers to affordable housing.

Rehabilitation Subcode: The State, in January of 1998, adopted the Rehabilitation Subcode, which is the first construction code in the nation written specifically for the rehabilitation of existing buildings. The Rehabilitation Subcode is a set of standards that provides for the health and safety of building occupants, while recognizing what is possible and practical in the setting of an existing building.

Site Improvement Standards: In 1997, New Jersey adopted statewide site improvement standards for residential subdivisions. The purpose of these standards is to bring consistency and predictability to the requirements for site improvements and to eliminate standards that contribute to higher housing costs without any greater health or safety benefits. The standards cover street, water supply, sewer and storm water management for residential developments.

Land Use Reform: New Jersey courts have taken an active role in redressing regulatory barriers to affordable housing. In the Mount Laurel decisions, the New Jersey State Supreme Court ruled that municipalities have a constitutional obligation to provide a realistic opportunity through zoning for the creation of their fair share of regional low- and moderate-income housing needs. In response, the State Legislature passed the Fair Housing Act in 1985, which created the Council on Affordable Housing (COAH). COAH determines present and future housing needs and helps municipalities meet their constitutional obligation to provide opportunities for affordable housing. The Agency reviews local housing plans and zoning ordinances and certifies those that adequately respond to regional affordable housing needs. This process is voluntary, but municipalities have several incentives to participate. COAH assists municipalities in meeting their fair housing needs by offering options such as accessory apartments, buy-down programs, residential conversions of schools and Regional Contribution

Agreements (RCAs). Through the courts and the COAH process, New Jersey communities have modified their zoning laws to provide more opportunity for affordable housing. Over the next 5 years, the State will continue to identify and address local and State policies that effect the provision of affordable housing.

Innovative Housing Subsidy Programs: The State, through the Department of Community Affairs, Housing and Mortgage Finance Agency and the New Jersey Redevelopment Authority, continues to create affordable housing opportunities for New Jersey's residents.

12. Promote fair housing practices and educate the public about the benefits of and the need for affordable housing.

The State will continue to promote fair housing practices by educating the public about the State and federal Fair Housing laws. In addition, the State will develop materials to educate the public about the benefits and the need for affordable housing.

13. Establish a homeless prevention program for DYFS families.

The State will continue to utilize the new programs identified in this document to assist DYFS families.

Match Requirements

To satisfy the match requirements of the HOME, Emergency Shelter Grant, and Community Development Block Grant Programs, New Jersey will use State funds from the Neighborhood Preservation Balanced Housing Program and the Neighborhood Preservation Program.

MAJOR INITIATIVES

During Federal FY2007, the State will pursue the following:

Develop, preserve and finance 100,000 affordable housing units in 10 years in order to address the long-term affordable housing needs.

- Expand the supply of housing, including affordable housing for very low-, low- and moderate-income households.
- Provide affordable homeownership opportunities for low- and moderate-income households.
- Provide technical assistance to community-based nonprofit and for-profit housing developers.
- Foster public-private partnerships.
- Encourage the use of innovative green design and building technologies.
- Abate lead-based paint hazards.
- Preserve affordable housing units at threat of loss due to expiring deed restrictions.
- Assist low- and moderate-income homeowners abate code violations.
- Strengthen existing affordability controls and control mechanisms

Expand housing options to assist special needs populations and reduce homelessness

- Coordinate operating and service funding commitments from DHS with the Special Needs Housing Trust Fund managed by HMFA.
- Move chronically homeless households into permanent supportive housing.
- Continue to support emergency shelters and transitional housing for homeless households by increasing funding for the Shelter Support Program.
- Continue to work with the statewide collaborative to meet HUD's HMIS system requirements and State homeless planning information objectives and needs.

Community development

- Assist municipalities with planning and technical assistance.
- Assist communities with public facilities and infrastructure improvement.
- Promote business development.
- Clean up brownfields.
- Promote development near jobs.
- Promote mixed-income development.
- Concentrate inter-departmental investments in target locations.
- Encourage use of community revitalization plans.

Support Smart Growth planning initiatives

- Curb sprawl by encouraging redevelopment and growth in cities, and older suburbs, and in existing towns and villages in rural areas.
- Re-use existing buildings, sites and infrastructure.
- Direct growth into Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan.
- Develop regulations that encourage and support Smart Growth principles.
- Develop mixed-use communities with an emphasis on pedestrian access.
- Encourage green building.
- Promote high efficiency

Efficiency in Government

- Promote inter-departmental coordination
- Streamline funding and service provision
- Assist municipalities to identify and develop housing opportunities
- Use data collection and analysis to make strategic and informed decisions
- Inform the public about available programs, services and resources.

PRIORITIES, OBJECTIVES & HOUSING GOALS

Annual Objectives and FFY 2006 and FFY 2007 Funding Levels						
OBJECTIVE	FIVE YEAR GOAL 2005-2009	PROGRAM	2006 FUNDING LEVEL	ESTIMATED ACTIVITY LEVEL (will not have final figures until July 2007)	2007 Funding Level	Estimated Activity Level
1. Increase the number of affordable housing units built for our most vulnerable populations	1,400	Deep Subsidy	\$1,200,000	31 units	\$1,200,000	31 units
		Special Needs Housing Trust Fund	\$24,100,000	307 units	\$24,100,000	307 units
		Special Needs Revolving Loan	\$430,000	15 units	\$530,000	15 units
		Balanced Housing	\$1,500,000	37 units	\$1,300,000	34 units
		COAH Targeting (2 units of credit for every unit affordable to households earning 30% of AMI)	NA	*Numbers are included in programs listed above	NA	*Numbers are included in programs listed above
		Uniform Housing Affordability Controls (10 percent of rental units in a development must be affordable to households earning 35% or less of AMI)	NA	*Numbers are included in programs listed above	NA	*Numbers are included in programs listed above
Total			\$27,230,000	390 units	\$27,130,000	387 units
2a. Continue to provide housing opportunities for low and moderate-income households	27,500	American Dream Down Payment Initiative	\$176,705	18 units	\$202,491	20 units
		100% Mortgage Program	\$8,800,000	204 units	\$8,800,000	204 units
		Balanced Housing	\$20,806,759	901 units	\$24,700,000	900 units
		Choices in Homeownership Incentives Created for Everyone	\$42,000,000	500 units	\$18,400,000	500 units
		Developmental Disabilities Homeownership	\$675,000	5 units	\$240,000	2 units
		Homebuyer Program	\$89,000,000	587 loans	\$89,000,000	587 loans
		HOME Express	\$60,000,000	included in multi-family rental & special needs programs	\$65,868,123	included in multi-family rental & special needs programs
		Home Ownership for Permanency Project	\$4,200,000	31 units	\$4,200,000	31 units
		HOME-CHDO Production	\$4,691,927	25 units	\$1,060,032	9 units
		HOME-Production Investment	\$4,073,573	35 units	\$1,766,721	15 units
		Low-Income Housing Tax Credits	\$19,000,000	included in multi-family rental program	\$19,255,672	included in multi-family rental program
		Multi-family Rental Housing Program	\$250,000,000	3,000 units	\$269,000,000	3,242 units
		Predevelopment Loan and Acquisition for Nonprofits	\$1,750,000	439 units	\$1,750,000	439 units
		Resource Family Home Rehabilitation Program	\$16,000	3 units	\$1,000,000	100 units
Sub-Total			\$510,889,964	5,663 units and 587 loans	\$510,943,039	5,964 units and 587 loans

OBJECTIVE	FIVE YEAR GOAL 2005-2009	PROGRAM	2006 FUNDING LEVEL	ESTIMATED ACTIVITY LEVEL (will not have final figures until July 2007)	2007 Funding Level	Estimated Activity Level
2b. Continue to provide housing assistance to very low and low-income households	90,000	Housing Choice Voucher Program	\$168,457,665	17,062 households	\$157,200,000	18,043 households
		Section 8 Homeownership Program	\$480,000	50 households	\$625,000	65 households
		State Rental Assistance Program	\$6,278,760 (TBRA) and \$3,602,952 (PBA) (one year commitment)	642 TBRA vouchers and 405 PBA vouchers	\$28.4 million (TBRA) and \$5.8 million (PBA) (one year commitment)	2,958 TBRA vouchers and 604 PBA vouchers
Sub-Total			\$178,819,377	18,159 households	\$192,025,000	21,670 households
3. Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.	5,600	Community Services Block Grant	\$17,180,028	475,316 individuals	\$17,180,028	475,316 individuals
		Emergency Shelter Grant/Shelter Support	\$9,858,875	210 beds	\$3,800,000	289 beds
		Family Self-Sufficiency	\$600,000	264 households	\$300,000	240 households
		HOME Tenant-Based Rental Assistance	\$3,658,402	381 households	\$4,100,000	400 households
		Housing Opportunities for Persons with AIDS	\$989,520	103 households	\$982,080	150 households
		Shelter Exit Program	\$1,900,000	200 households	\$1,900,000	200 households
		Shelter Plus Care	\$1,800,000	183 households	\$1,500,000	163 households
Total			\$35,986,825	1,113 households, 475,316 individuals and 210 beds	\$29,762,108	1,153 households, 475,316 individuals and 289 beds
4. Support local jurisdictions' planning process to reduce and end homelessness.	NA	Coordination of HMIS	\$40,000	NA	\$689,000	240 agencies
		Total	\$40,000	NA	\$689,000	240 agencies
5. Encourage the development of supportive housing, housing choice voucher and the provision of support services for special needs populations.	600	Ex-Offenders Re-Entry Housing Program	\$700,000	12 units	\$700,000	12 units
		HOPWA-Post Incarcerated	\$300,000	39 units	\$374,333	50 units
		NJ Community Housing Demonstration	\$1,000,000	20 units	\$7,300,000	49 units
		Transitional & Permanent Housing Loan Program for Aging Out Youth	\$7,300,000	49 units	\$8,374,333	61 units
Total			\$9,300,000	120 units	\$16,748,666	172 units
6. Enhance the capacity of local agencies and nonprofit organizations to effectively operate and deliver affordable housing.	225	Performance Grants to Nonprofits	\$4,106,500	54 nonprofits	\$3,024,151	36 nonprofits
		Training and Technical Assistance	\$212,000	Technical Assistance	\$200,000	Technical Assistance
Total			\$4,318,500	54 nonprofits	\$3,224,151	36 nonprofits
7. Promote lead-based paint education and abatement efforts.	1,750	Emergency Relocation Assistance	\$3,000,000	355 households	\$1,500,000	100 households
		Lead Hazard Control Assistance	\$8,029,000	320 households	\$7,000,000	250 households
Total			\$11,029,000	675 households	\$8,500,000	350 households

OBJECTIVE	FIVE YEAR GOAL 2005-2009	PROGRAM	2006 FUNDING LEVEL	ESTIMATED ACTIVITY LEVEL (will not have final figures until July 2007)	2007 Funding Level	Estimated Activity Level
8. Support sustainable development and the revitalization of neighborhoods through Smart Growth planning initiatives.	125	Green Homes	\$0	Technical Assistance	\$0	Technical Assistance
		Neighborhood Preservation	\$2,750,000	20 municipalities	\$2,750,000	20 municipalities
		Neighborhood Revitalization Tax Credit	\$10,000,000	3 grants	\$1,400,000	5 grants
		Neighborhood Revitalization Tax Credit Planning Grants	NA	NA	\$250,000	5 grants
Total			\$12,750,000	20 municipalities and 3 grants	\$4,400,000	20 municipalities and 10 grants
9. Improve and preserve the existing affordable housing stock.	425,000	Housing Preservation Program	\$85,000,000	450 units	TBD	TBD
		Low-Income Home Energy Assistance	\$5,226,959	2,604 households	\$75,798,007	*73,643 households
		Section 8 Single Room Occupancy	\$8,000,000	20 projects	\$8,000,000	20 projects
		Weatherization	\$5,607,000	2,235 households	\$4,560,995	1,110 households
Total			\$103,833,959	4,839 households, 450 units and 20 projects	\$88,359,002	74,753 households and 20 projects
*These figures also include the Home Energy Assistance Program which is funded with LIHEAP funds.						
10. Support community and economic development programs that expand business enterprises and increase job opportunities for low- and moderate-income households.	625	At-Home Downtown Program	\$1,800,000	10 municipalities	\$1,900,000	15 municipalities
		Main Street New Jersey	\$400,000	26 municipalities	NA	30 municipalities
		Small Cities Community Development Block Grant	\$1,000,000	3 municipalities	TBD	TBD
		Special Improvement Districts	\$0	70 SIDS - ad hoc technical assistance	\$0	80 SIDS
		Special Improvement Districts Challenge Grants	\$70,000	3 municipalities	\$40,000	4 municipalities
		Downtown Business Improvement Loans	\$600,000	1 municipality	\$1,000,000	2 municipality
Total			\$3,870,000	43 municipalities and 70 SIDS	\$2,940,000	51 municipalities and 80 SIDS

ONE YEAR HOUSING GOALS

ONE YEAR HOUSING GOALS	AMOUNT OF FUNDS	NUMBER
Provide financing to increase the number of affordable housing units built for our most vulnerable populations	\$27,130,000	387 units
Continue to provide housing opportunities for low and moderate income households	\$510,943,039	5,964 units and 587 loans
Continue to provide housing assistance to very low and low-income households	\$192,025,000	21,670 households
Assist homeless individuals and families obtain permanent housing, with needed support services to become self-sufficient.	\$29,762,108	289 beds, 475,316 individuals & 1153 households
Abate lead-based paint in housing units	\$7,000,000	250 households
Improve and preserve the existing affordable housing stock.	\$88,359,002	74,753 households & 20 projects

LOW INCOME HOUSING TAX CREDIT PROGRAM

Section 42 of the Internal Revenue Code of 1986 created the Low-Income Housing Tax Credit (LIHTC) program, which may be applied against the federal income tax of persons, or associations who have invested in certain developments providing housing for low-income families.

The tax credit, rather than a direct federal subsidy, provides a dollar for dollar reduction (or credit) to offset an owner's federal tax liability on ordinary income. Tax credit interest may be syndicated or sold to generate equity for the developments, thus reducing the necessary mortgage financing and providing more affordable terms. The tax credit frequently provides the last critical element to ensure the financial feasibility of the project. In New Jersey, the LIHTC Program is administered by the New Jersey Housing and Mortgage Finance Agency (HMFA).

The amount of tax credits available for allocation each year by HMFA is established pursuant to the Internal Revenue Code. Tax Credits are awarded for specific projects pursuant to the State's Low-Income Housing Tax Credit Qualified Allocation Plan. In order to be considered for tax credits in New Jersey, the proposed property must entail new construction, substantial rehabilitation, or acquisition and substantial rehabilitation.

Each year, the State publishes funding cycles and the amount of credits available in each cycle in The Atlantic City Press, The Record, Newark Star Ledger, The Courier News, The Asbury Park Press, The Camden Courier Post, Bridgeton Evening News and The Trenton Times. The program currently has four funding cycles.

1. Family Cycle for non-age restricted developments. This cycle has five set-asides:
 - Preservation Set-Aside: The first reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a preservation project.
 - Affordability Set-Aside: The second reservation of credits shall be given to the highest-ranking eligible application that has selected the 20% at 50% federal set aside as defined under Section 42(g)(1)(A) of the Code.
 - HOPE VI Set-Aside: The third reservation of credits shall be given to the highest-ranking eligible application that utilizes HOPE VI funds or is included in a HOPE VI proposal.

- Nonprofit Set-Aside: The fourth reservation of credits shall be given to the highest-ranking eligible application from a qualified nonprofit organization that is community based within a qualified census tract.
 - Mixed Income set-aside: The fifth reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a Mixed Income project.
2. The Senior Cycle has two set-asides, the Affordability Set-Aside and the HOPE VI Set-Aside, both as described above in the Family Cycle.
 3. Special Needs Supportive Housing Cycle for projects in which a minimum of 10 units or 25 percent of the total project units, whichever is greater, is rented to a special needs population and at least three daily services are provided in which at least 25% of the tax credit units are rented to the special needs client population and at least three appropriate services must be provided. This cycle has one set-aside for a project that provides housing to the developmentally disabled.
 4. Final Cycle: All projects, including minimum rehab projects, may apply to this cycle. There are two set-asides in the Final Cycle.
 - HOPE VI Set-Aside: for projects that utilize HOPE VI funds or projects that are included in HOPE VI proposals.
 - Preservation Set-Aside: for currently occupied affordable housing projects at risk of losing its affordability controls.

NEEDS OF PUBLIC HOUSING

The Department of Community Affairs, as the State Public Housing Agency (PHA), administers over 17,000 housing vouchers. DCA is currently administering the following two programs that assist the voucher holders become self-sufficient.

1. The Family Self-Sufficiency Program (FSS) assists low-income tenants build assets and increase their earnings so that they can better meet their families' needs and become independent of welfare assistance. As part of the program, DCA establishes an interest-bearing FSS escrow account for each participating family. An escrow credit, based on increases in earned income of the family, is credited to this account during the five-year term of the FSS contract. To date, DCA has 225 active clients.
2. The Section 8 Homeownership Program allows families who are receiving Section 8 rental assistance to use that assistance to help pay the mortgage on a home they buy. In order to qualify, the family must be a first-time homebuyer, be employed full time for at least one year with a minimum annual income of \$10,300 (except for elderly and disabled), have decent credit and successfully complete housing counseling sessions. To date, DCA's program has 1,831 applicants, 432 of which are in housing counseling, 163 are mortgage ready, 125 are in housing search and 45 have closed on homes.

HMFA has allocated \$49,000 to cover the cost of the housing counseling sessions.

FAIR HOUSING

The following are impediments to fair housing choice in New Jersey and actions the State is continuing to take to address the barriers:

1. *The lack of decent, affordable housing for low-income people.*

To help rectify this problem, the State is doing the following:

- a) Continuing to partner with nonprofit and for-profit developers to leverage public and private funding to create more affordable housing and diverse communities.
- b) Implementing the revised rules for the State Rental Assistance Program (SRAP). Under these rules a new set-aside was created for the disabled population. Households assisted under this set-aside will receive a voucher

with no term limit. The new rules also reduced the term of the project-based set-aside from 15 years to 10 years which will allow DCA to provide assistance to more projects.

c) The implementation of the revised Balanced Housing rules that: 1) increase the amount of subsidy a project can receive from \$4 million to \$6 million; 2) provide funding for the preservation and moderate rehabilitation of existing units; and 3) require that all new units be NJ Energy Star certified.

2. *Racial, ethnic and/or class discrimination and the lack of knowledge about what constitutes discrimination.*

DCA through its fair housing education and outreach campaign continues to provide vital information to both tenants and landlords about their housing rights and responsibilities under the federal Fair Housing Act and the New Jersey Law Against Discrimination.

3. *Local planning and zoning barriers.*

The State continues to work with municipalities to combat sprawl and preserve New Jersey's natural resources.

4. *Racial segregation in urban areas that limit housing opportunities.*

DCA, through its housing and community development programs, enhances mobility by providing opportunities for low-income and minority residents to migrate from cities to suburbs. In addition, the programs help restore the fiscal viability and livability of New Jersey's urban and suburban areas.

5. *Lack of housing choice for Section 8 voucher holders*

The federal Fair Housing Act and the State's Law Against Discrimination (LAD) prohibit discrimination in housing because of race, color, national origin, religion, sex, familial status and handicap. The Law Against Discrimination was amended on September 5, 2002 to prohibit landlords from discriminating against tenants based upon a tenants' source of lawful income, such as a Section 8 voucher, or the age of their children. In addition, it also broadens the powers of housing authorities so that they can bring suit on behalf of a tenant who is discriminated against. Known as the Section 8 Anti-Discrimination bill, a landlord who discriminates can be fined up to \$10,000 for a first offense and up to \$25,000 for a second offense.

6. *The loss of subsidized, affordable housing. A significant number of the affordable housing units carry deed restrictions that keep the housing affordable for a prescribed period of time. Depending on the program, deed restrictions can run from 10 to 30 years. When the restriction period expires, the units no longer need to remain affordable to low- and moderate-income*

people and are at risk of being lost from the affordable housing inventory.

The State recognizes that saving deed-restricted units is critical to ensuring the long-term availability of affordable housing for low- and moderate-income families in New Jersey and therefore will utilize the following initiatives:

- Multifamily Housing Preservation Financing – In January 2004, HMFA formed a division of multifamily lending whose main focus is financing preservation projects. HMFA uses a portion of its tax exempt bonding capacity to refinance existing affordable housing projects, thereby allowing for necessary capital improvements and extending the project's affordability controls.
- The revised Balanced Housing regulations to help insure that existing rental housing is properly maintained and remains affordable.

7. *Predatory Lending: the use of unfair and abusive mortgage lending practices that result in a borrower paying more through high fees or interest rates than the borrower's credit history warrants.*

On May 1, 2003, predatory lending legislation was signed into law. The legislation provides some of the strongest safeguards in the nation to stop homeowners from unjustly losing their homes and assets. The law prohibits financing of credit insurance, penalty interest rates, balloon payments and unfair arbitration standards. It also ensures that victims of predatory lending are able to bring claims to defend themselves. In addition, it provides the Attorney General's Division of Consumer Affairs and the Department of Banking and Insurance with sound enforcement provisions to ensure that companies comply with the law.

BARRIERS TO AFFORDABLE HOUSING

There are a myriad of both State and federal issues affecting the availability of affordable housing. Barriers to affordable housing include the locally held *Not In My Backyard* syndrome (NIMBY), outdated land-use regulations, high development standards, costly permit processes, infrastructure financing and fluctuations in interest rates. The resistance to affordable housing is often evidenced in minimum lot size requirements for residential properties, which indirectly has an impact on the cost of housing.

Many very low and low-income households have difficulty obtaining adequate housing as a result of credit problems.

Shortage of Rental Assistance: The State is experiencing a shortage of available housing at every rental level. This is particularly the case with affordable housing.

Many at-risk households turn to rental assistance programs to maintain and secure housing. The State, through the Housing Choice Voucher Program, HOME Tenant-Based Rental Assistance Program and the new State Rental Assistance Program, is working to assist as many very low- and low-income households as possible within our financial constraints.

Shortage of Workforce Housing: The shortage of affordable housing for low and moderate-wage workers is a problem in New Jersey. Many of these workers can only find affordable housing by living far from their jobs and enduring long commutes. The State through the State Rental Assistance is targeting the working poor, families making up to 40% of median income.

Not In My Backyard (NIMBY)/Racial and Ethnic Discrimination: Perhaps the primary obstacle to affordable housing is the overall misconception as to how affordable housing impacts a community. The public perception is that it will attract a population full of the poor and uneducated, bringing about increased crime, decreased property values and social unrest. Community leaders are very much influenced by these public misconceptions. As a result, even if a municipality has the land and physical plant to support denser, more affordable housing, it may lack the will to do so. NIMBY attitudes were the targets of the New Jersey State Supreme Court Mount Laurel decisions and the State's Fair Housing Act of 1985. These initiatives try to extend housing opportunities for people earning less than 80% of median county income.

In addition, despite more than 38 years of prohibitions against housing discrimination in New Jersey, audits of race and national origin discrimination in the rental and sales markets continue to show high rates of discrimination. Although homeownership rates have increased to record highs, a significant disparity continues to exist between the homeownership rates of whites compared to that of minorities. According to the 2000 Census, 73% of White households are homeowners, compared to a rate of less than 42% for Hispanics and African Americans. The State through its fair housing outreach initiative is educating the public about their federal and state rights under the law.

Land Use Regulations: Two types of regulations affect housing costs: development regulations and land-use regulations. Development regulations, such as the construction code, place minimum standards on how developers build while land-use regulations (zoning laws, environmental protection requirements) define the conditions and the amount of land available for development. Land use regulations fundamentally affect land and housing costs and are slow to respond to changes in housing demand. They dictate what, where, and how much gets built and under what conditions.

New Jersey has an array of State and local land-use regulations. The most basic control is municipal zoning. Municipal zoning is defined locally and authorized through the State's municipal land use law. At the State level, special districts, commissions, and offices regulate land-use development in historic districts, wetlands, and other designated areas. State law includes the Coastal Area

Facilities Review Act, which requires permits for certain developments in specified coastal areas. The Wetlands Protection Act regulates development in protected wetlands. The Pinelands Protection Act protects about one million of the state's 4.8 million acres, and the Delaware and Raritan Canal Commission controls development along the canal. The New Jersey Meadowlands Commission is responsible for environmental protection, economic development and solid waste management of 19,730 acres in 10 Bergen County and 4 Hudson County communities.

On August 10, 2004, the *Highlands Water Protection and Planning Act* went into effect. This historic law will protect drinking water for over 5.4 million people, preserve open space and provide effective regional planning for the Highlands region. The law is implemented by the Highlands Water Protection and Planning Council, a public body charged with developing a regional master plan, performing land use functions and protecting the region's critical environmental areas and high resource lands.

For State and local regulations to work well, they must balance the needs of a host of public land-based policies, some of which conflict.

Development Standards: Building, fire safety, site, and subdivision standards set a minimum level of protection for the public. The implementation of these standards attempts to make the development and construction process more consistent, predictable, and timely.

Redundancy in the Permit Process: Housing and other development in New Jersey must be approved by several State agencies, regional planning agencies, county planning boards, sewer/wastewater treatment utilities, soil conservation agencies, and municipal planning boards. Although New Jersey has made progress to streamline the residential construction process and make it more consistent, predictable, and timely, delays and duplications remain.

Infrastructure Financing: New Jersey's settlement patterns continued to grow more decentralized in the last decade. Population and jobs shifted away from the state's older cities toward the suburbs. Lately, however, New Jersey has seen a shift in settlement patterns. Jersey City and Newark have become the top municipalities in the State in new housing construction. Like most states, New Jersey has struggled with how to maintain roads, sewers, potable water, parks, and other public facilities and how to build and maintain new infrastructure. To pay for these needs, New Jersey has relied increasingly on user fees and other pay-as-you-go approaches. Builders are assessed impact and linkage fees to pay more of the cost of public facilities and services. These costs tend to be passed on to new homeowners and renters.

New Jersey Property Taxes: Highest Per Capita in the Nation: New Jersey is one of the 37 states that collect property taxes at both the state and local levels. As in most states, local governments collect far more. New Jersey's localities collected \$18,225,594,000 in property taxes in fiscal year 2004. At the state level, New

Jersey collected \$3,660,000 in property taxes during FY 2004, making its combined state/local property taxes \$18,229,254,000. At \$2,099, New Jersey's combined per capita collections were the highest in the nation.

Strategies to Address Barriers to Affordable Housing

New Jersey has a number of policies, programs and proposals to address regulatory barriers to affordable housing.

Develop a Comprehensive Housing Policy: The State is in the process of developing a comprehensive state housing plan. The plan will discuss the scope and depth of housing issues in New Jersey and the how the State is comprehensively addressing these issues.

Site Improvement Standards: In 1997, New Jersey adopted statewide site improvement standards for residential subdivisions designed to bring consistency and predictability to the requirements for site improvements and to eliminate standards that contribute to higher housing costs without any greater health or safety benefits. The Center for Urban Policy Research at Rutgers University is in the process of completing a study for DCA on in-fill development. This study will provide research on parking and other infrastructure needs for projects in urban (developed) areas. The research will then be used for possible amendments to the requirements of the Residential Site Improvement Standards, which will result in requirements that are tailored to urban and mixed use development.

Land Use Reform: New Jersey courts have taken an active role in redressing regulatory barriers to affordable housing. In the Mount Laurel decisions, the New Jersey State Supreme Court ruled that municipalities have a constitutional obligation to provide a realistic opportunity through zoning for the creation of their fair share of regional low- and moderate-income housing needs. In response, the State Legislature passed the Fair Housing Act in 1985, which created the Council on Affordable Housing (COAH). COAH determines present and future housing needs and helps municipalities meet their constitutional obligation to provide opportunities for affordable housing. The Agency reviews local housing plans and zoning ordinances and certifies those that adequately respond to regional affordable housing needs. This process is voluntary, but municipalities have several incentives to participate. COAH assists municipalities in meeting their fair housing needs by offering options such as accessory apartments, buy-down programs, residential conversions of schools and Regional Contribution Agreements (RCAs). Through the courts and the COAH process, New Jersey communities have modified their zoning laws to provide more opportunity for affordable housing. Over the next 5 years, the State will continue to identify and address local and State policies that effect the provision of affordable housing.

Accumulating funds for downpayment and closing costs is a barrier for many households seeking homeownership. Initiatives such as the American Dream

Downpayment Initiative and Smart Start are providing assistance to qualified homebuyers.

NIMBY: Educate the public on affordable housing programs and the need for more affordable housing.

Property tax reform: Governor Corzine signed landmark property tax legislation on April 3, 2007 that will lower property taxes in the short-term while instituting long-term reforms to help break the decades-long cycle of steep annual property tax increases. Homeowners with incomes up to \$100,000 will receive a 20 percent reduction in their property taxes through either a credit or a rebate. Those with incomes between \$100,000 and \$150,000 will receive a 15 percent reduction, and those with incomes between \$150,000 and \$250,000 will receive at 10 percent reduction. The program will provide benefits to 1.9 million homeowners, about 95 percent of all homeowners in the State, and to 800,000 tenants.

Reinvest in already developed areas. Preserve open space and environmentally sensitive lands, while simultaneously refocusing development into areas with the infrastructure and capacity to accept growth.

HOMELESS AND OTHER SPECIAL NEEDS

The State conducted a Point in Time Homeless survey on January 27, 2007 in all 21 counties using the same survey tool. The **draft estimate** total number of sheltered and unsheltered homeless in New Jersey on January 27, 2007 is 12,400 individuals or heads of households. Please note that it is preliminary data – the final figures should be available by May 31, 2007.

The following data is from the Point in Time Homeless survey conducted on January 27, 2005.

POINT IN TIME SURVEY		
County	Count	% of Total
ATLANTIC	623	6%
BERGEN	781	7%
BURLINGTON	699	7%
CAMDEN	777	7%
CAPE MAY	125	1%
CUMBERLAND	243	2%
ESSEX	1215	11%
GLOUCESTER	132	1%
HUDSON	706	7%
MERCER	1080	10%
MIDDLESEX	769	7%
MONMOUTH	786	7%
MORRIS	389	4%
OCEAN	155	1%
PASSAIC	774	7%
SALEM	111	1%
SOMERSET	191	2%
SUSSEX	217	2%
UNION	869	8%
WARREN	71	1%
TOTAL	10,713	100%

Age	Number	% of Total
15 and under	18	0%
16 - 25	965	9%
26 - 35	1409	13%
36 - 45	4147	39%
46 - 55	1739	16%
56 - 65	649	6%
66+	87	1%
No Age Indicated	1699	16%
AVERAGE AGE	41	

Race/Ethnicity	Count	% of Total
No Response	416	4%
African-American/Black (non-Hispanic)	5269	49%
American Indian/Alaskan Native	53	0%
Asian	51	0%
Euro-American/White (non-Hispanic)	3200	30%
Hispanic/Latino	1533	14%
Other	191	2%

Housing programs for the homeless and other special needs populations target individuals who are disproportionately poor and who experience life challenges resulting from disabilities and/or long-term health care conditions. Additionally, populations discharged from institutional settings, such as ex-offenders, youth leaving the foster care system and/or juvenile justice system may need assistance securing affordable housing, and employment and educational opportunities to help them sustain their housing. These programs target individuals who are very-low income, earn less than 30 percent of median income, and rely on federal or state assistance programs or who rely on federal Supplemental Security Income (SSI) benefits of \$624 per month. Homelessness may not be caused simply by a lack of housing or poverty. To this end, planning and housing efforts need to include a diverse group of public and private entities to further understand the causes of homelessness and to work toward both prevention and rapid effective housing interventions.

Housing First and Supportive Housing are two proven approaches to addressing homelessness that are strongly recommended for further development in New Jersey. Housing First models move people quickly into permanent housing and then wrap around needed social services to help individuals maintain their housing. Supportive Housing models ensure that the appropriate support services are available to the individual once they have permanent housing. New Jersey has the foundation of a Supportive Housing industry and the ability to adopt a Housing First policy. Working with its partners, the State will create new and innovative Housing First and Supportive Housing models for persons who are homeless as well as for those with other special needs.

Supplemental to Housing First models, shelter housing should be available for individuals and families in times of crisis. However shelter stays should be short term, less than 45 days, with intensive case management services targeted at helping people secure permanent, stable housing and skills to move toward self-sufficiency. Transitional housing programs may be appropriate for identified populations such as aging out youth, individuals re-entering communities from the correctional system, individuals in substance abuse treatment, victims of domestic violence and homeless vets. In all cases transitional housing programs must incorporate a strong programmatic emphasis to assist people with self-sufficiency skills and securing permanent housing.

Housing First is an approach that focuses on providing people with disabilities or people who are homeless with housing and providing services to them as needed. The primary and immediate focus is on helping people to access and sustain permanent housing. This approach is consistent with what most people, including people with disabilities want to achieve.

The following are the major components of Housing First:

- Access and maintain permanent housing as quickly as possible (no time limits are imposed, and there are few or no barriers to accessing housing imposed – no requirements for length of sobriety, minimum income, program completion, etc., before an individual may enter permanent housing.
- A variety of services are delivered immediately after the individual moves in to the housing unit in order to promote stability and individual well-being.
- The length of services as well as the frequency and intensity of use is determined by the individual, based on his or her needs.
- Participation in services is voluntary and housing is not contingent upon compliance with services. The individuals must comply with a standard lease and will be provided with the support services necessary for them to be successful.

Housing First does include following: 1) assessment-based targeting of housing services; 2) assistance locating rental housing and relating to landlords; 3) financial assistance with security deposit and one month's rent rental subsidy; and 4) case management to coordinate services that support housing retention.

Strategies to Implement Housing First Policy:

Continuum of Care (CoC) Assistance: HMFA is leading the effort to help the 21, countywide; CoCs coordinate their applications for federal assistance and share best practices across jurisdictions. Last year's efforts brought a total of \$31 million into New Jersey, \$5 million above the HUD allotted share for the State. A Continuum of Care System is a community based coordinated effort by all homeless service providers to address and eradicate homelessness within

their community, based on the understanding that the underlying causes extend beyond the need for shelter. The Continuum of Care is important because it fosters collaboration among service providers and municipalities who have traditionally worked autonomously to solve the problem of homelessness. In addition, the CoC is the only vehicle by which a community can apply and compete for HUD administered McKinney-Vento Funds for Supportive Housing, Shelter Plus Care and Single Room Occupancy Programs. The State is supporting local CoC's emphasis on Housing First and the prioritization of projects for the development of new permanent housing opportunities. State financing programs, including the newly created Special Needs Housing Trust Fund are available to leverage HUD McKinney-Vento funds.

The Mercer County Continuum of Care and the Mercer County Homeless Alliance are working with State, City and County partners to implement a Housing First Initiative that will target serving 50 individuals and families. This Initiative also has the support of the United Way of Mercer County and will hopefully serve as a replicable model for other communities in New Jersey.

Homeless Management Information System (HMIS): HMFA is leading a state and local Collaborative to implement a state administered Homeless Management Information System (HMIS) meeting federal HUD specifications for tracking, reporting and analyzing homelessness information in New Jersey. Implementation of HMIS is required by HUD for all Continuum of Care and service providers to receive HUD McKinney-Vento Homeless Assistance. Local CoCs use the system to meet HUD reporting requirements and the Statewide Collaborative uses aggregated data from HMIS to establish baseline data on homelessness for planning and to assess resource utilization. It is the goal of the State HMIS partners (HMFA, DCA and DHS) to use HMIS to move towards performance based contracting for homeless programs, and specifically to evaluate programs for achievement of permanent housing outcomes. Over 270 individual agencies are currently enrolled in the NJ HMIS Collaborative.

Homeless Policy Academy: HMFA staff is co-facilitating stakeholders from for-profit and nonprofit sectors to address homelessness prevention in a comprehensive way with assistance from the federal government. DCA and DHS are both integral members of the Policy Academy. The HMIS project is one of the outcomes of this partnership. The New Jersey Homeless Policy Academy will be reconstituted in the 2007 as the New Jersey Council to End Homelessness. The Council will update the State's Plan to End Homeless and examine strategies to strengthen access to mainstream services and improve coordination among state and local agencies.

New Jersey's Olmstead Stakeholder Task Force: DCA and HMFA participate in this collaborative effort to guide New Jersey in shaping a comprehensive working plan that reflects a statewide vision for achieving community integration for people across all disability groups. The Task Force has developed a vision that promotes affordable housing in integrated community settings that New Jersey citizens with disabilities have a right to expect. The work of this Task

Force supports the development of Housing First models and permanent supportive housing units for chronically homeless populations, including individuals with disabilities.

Antipoverty Strategy

The State will continue to address the problem of homelessness by providing emergency assistance. Such actions will include the following:

- Providing shelter, food, clothing, and social services to families in crisis.
- Supporting the development of permanent, transitional and affordable housing and shelter facilities.
- Providing health care to homeless people.
- Aiding homeless runaway youth.
- Assisting individuals who are mentally or physically impaired.
- Helping victims of domestic violence.
- Providing low-income energy services.
- Administering rental assistance programs.
- Providing job training to low-income and homeless individuals
- Providing funding for literacy education

Discharge Coordination Policy

The State will utilize the following programs to assist households being discharged from publicly funded institutions and systems of care.

- **Emergency Housing Providers Development Program** will expand the number of nonprofit organizations producing housing from the ranks of emergency shelter providers who are familiar with the needs of DYFS clients. Balanced Housing and HOME CHDO subsidy funds will be made available to nonprofit developers to buy-down the cost of housing developed for DYFS clients. Increasing this pool enhances the state's ability to produce permanent supported housing for DYFS clients currently living in shelters and transitional housing. DCA's current shelter support grantees and other interested parties will be provided training and encouraged to partner with experienced developers if they have no experience with development. This program is currently in the developmental stage.
- **Ex-Offenders Re-entry Housing Program** provides low-interest loans to for-profit and nonprofit organizations developing transitional, trans-permanent, and permanent support rental housing, including independent and shared housing opportunities with access to supportive services, for adult ex-offenders and juvenile offenders.

- **Housing Opportunities for Persons with AIDS – Post Incarcerated Program** provides housing assistance to individuals recently released from prison who have HIV/AIDS.
- **Transitional and Permanent Housing Loan Program for Aging Out Youth** provides low-interest financing to organizations and public entities developing service enriched transitional and permanent housing opportunities for youth aging out of foster care, homeless youth and youth leaving the Juvenile Justice System.

Domestic Violence Against Women

According to N.J.S.A. 2C:25-19, the definition of a victim of domestic violence also includes victims of sexual assault, stalking and dating violence; separate statistics are not kept for each of these individual categories.

The New Jersey Coalition for Battered Women collects statistics from member lead domestic violence agencies on victims served through emergency shelter, transitional housing programs and outreach non-residential programs; these numbers are the best indicators of New Jersey's housing needs. Also included are statistics from outreach non-residential program because some domestic violence victims and their children who avail themselves of these services need permanent housing even though they did not enter emergency shelter or transitional housing programs. It is also important to note that these numbers represent only a percentage of victims of domestic violence; not all victims choose services from lead domestic violence agencies.

2005 Service Statistics

1633 Women sheltered

1924 Children sheltered

109 Women in transitional housing

152 Children in transitional housing

7,939 Victims of domestic violence received non-residential services

Average lengths of stay in both emergency shelter and transitional housing have increased over the years pointing to the need for more permanent, affordable housing.

PROGRAM SPECIFIC REQUIREMENTS

Community Development Block Grant Program

FFY 2007 Total Allocation: \$8,296,907

State Administration: \$ 265,938

FFY 2007 Funds:	\$8,030,969
Emergency Housing Repair	\$ 25,000
Employment Development	\$1,000,000
Innovative Development	\$1,000,000
Housing Rehabilitation	\$3,000,000
Public Facilities	\$3,005,969
108 Loan Authorization	\$41,484,535*

* This figure has not been adjusted for current loan obligations, which was not available at the time of this publication.

Application Submission Schedule

Emergency Housing Repair Fund	Applications accepted throughout the program year.
Employment Development Fund and Innovative Development Fund	Applications accepted throughout the year by invitation from the Department of Community Affairs (DCA) following pre-application approval.
Housing Rehabilitation Fund	Applications accepted throughout the program year with priority given to applications received in September 2007.
Public Facilities Fund	Applications must be submitted no later than September 7, 2007.

State Conformance To National Objectives

The State of New Jersey will be guided by applicable federal rules and regulations in carrying out the Small Cities Community Development Block Grant (CDBG) program. All project activities must meet one of the three national program objectives set forth in the Housing and Community Development Act of 1974, as amended:

1. To undertake community development activities that principally benefit persons of low and moderate income;
2. To prevent or eliminate slums and blight;
3. To meet urgent community development needs for which no other resources are available.

The State of New Jersey certifies that not less than 70 percent of the funds will be used for activities that benefit persons of low and moderate income. Low and moderate income is defined in the New Jersey Small Cities CDBG Program as the income of "lower income" families as set forth in the Section 8 Assisted Housing Program of the US Department of Housing and Urban Development (US HUD). The US HUD provides applicable standards, and the standards are included in application instructions distributed to all eligible units of local government.

State Program Objectives

1. Support housing rehabilitation programs that maintain the supply of safe, decent, and affordable housing.
2. Support and encourage efficient patterns of community development, redevelopment, and capital funding by giving priority to proposals that address documented health and safety concerns and further the policies set forth in the *State Development and Redevelopment Plan*.
3. Encourage innovative proposals that combine job creation, housing improvement, and other eligible activities to renew designated revitalization areas.
4. Encourage the development of facilities needed to support welfare to work programs such as job training and child and elder care.
5. Support and encourage neighborhood revitalization efforts identified in locally developed plans and strategies.

6. Improve the availability and adequacy of essential public facilities, and remedy serious deficiencies in areas that principally serve people of low or moderate income.
7. Support community and economic development activities that expand business enterprises and increase job opportunities for the unemployed and for people of low or moderate income.
8. Ensure that municipalities have the capacity to implement community development programs and maintain community development improvements.
9. To support community development projects of particular urgency where existing conditions pose a serious and immediate threat to the health or welfare of the community, and where other financial resources are unavailable.

Distribution Of Allocation

Contingent on the US HUD's final approval of the State's Consolidated Plan, the distribution of CDBG funds will be as set forth below.

Administration and Technical Assistance

Administration \$ 265,938

The State is permitted to retain an amount equal to 2 percent of the grant award plus \$100,000 to cover costs associated with the State's administration of the CDBG program.

Funds

Emergency Housing Repair \$ 25,000

The Emergency Housing Repair Fund has been established to correct emergency conditions in owner-occupied housing where the owner is income-eligible and unable to obtain assistance from any other public or private source. Assistance will be provided on a first-come, first-served basis to the extent funds are available.

The maximum grant award in this category will be \$5,000. However, the DCA will consider exceeding this ceiling if the applicant presents compelling reasons to do so. Prospective applicants are required to contact the Small Cities CDBG Program before submitting a proposal for assistance.

Employment Development

\$ 1,000,000

This fund provides assistance to projects that will generate new employment opportunities for people of low and moderate income. These projects may include loans to for-profit enterprises and the financing of infrastructure improvements or extensions that support private investment in new production facilities and/or equipment.

Upon a favorable assessment of the pre-application, eligible municipalities will be invited to submit a full application. Grants may not exceed \$400,000 unless compelling reasons to do so are set forth by the applicant and accepted by the DCA.

Innovative Development

\$ 1,000,000

This fund provides assistance for activities that meet one of the three Statutory Objectives, but that do NOT qualify for consideration under any of the other Small Cities Funds. Examples include land acquisition in support of new housing construction for low-income people and assistance to first-time homebuyers.

Innovative Development Proposals (IDPs) will also be considered in this category. IDPs must consist of more than one eligible activity (excluding administration or planning). The activities proposed must be carried out within the same time period and must be directly related to the implementation of a locally approved redevelopment strategy. Consultation with the Small Cities Program Administrator is encouraged before preparing a formal application.

Grants may not exceed \$400,000 unless compelling reasons for exceeding that amount are set forth by the applicant and accepted by the DCA.

Housing Rehabilitation Fund

\$ 3,000,000

This fund will be used for activities that improve the condition of affordable housing in New Jersey. County-managed programs may be awarded up to \$500,000. Multi-jurisdictional programs may receive grants of up to \$350,000. Awards to programs serving only one municipality may not exceed \$200,000.

Public Facilities Fund

\$ 3,005,969

This fund is established to assist units of local government to construct or improve essential public facilities that will primarily benefit people of low and moderate income. The maximum grant awarded in this category will be \$400,000. However, this maximum may be exceeded if compelling reasons are presented and accepted by the DCA.

108 Loan Program

The 108 Loan Program authorizes the State to extend financing to commercial projects and to real estate and industrial businesses with a proven ability to expand. The 108 Program funds may be used for fixed-asset financing; for land, construction or renovation; for machinery and equipment; or for working capital. Such loans may be provided for up to 90% of the total fixed-asset financing.

The terms of the loans are a maximum of 20 years for real estate, 10 years for machinery and equipment, and 6 years for working capital. The interest rate is fixed at 200 basis points above the rate charged to the State by HUD, except for projects located within a Federal Empowerment Zone. In such locations the interest rate is 175 basis points above the rate charged to the State by HUD. The purpose of the 108 loan program is to stimulate private sector investment and to retain and create permanent job opportunities for people of low and moderate income residing in eligible units of local government. The project may also qualify if it produces a vital service consistent with one of the statutory objectives of the CDBG program.

108 Loan Authorization

\$41,484,535

NOTE: The New Jersey Economic Development Authority (NJEDA) administers the 108 Loan Program. More information may be obtained by contacting NJEDA at 609/292-1800.

Matching Requirements

Units of local government seeking assistance from the Employment Development Fund, the Innovative Development Fund, the Public Facilities Fund, and the Housing Rehabilitation Fund may be required to commit a percentage of the grant request, based on the applicable Municipal Distress Index ranking (MDI Rank). The matching share is determined as follows:

MDI Rank	Matching Share
0 to 100	10%
101 to 200	20%
201 to 300	30%
301 to 400	40%
401 and above	50%

The MDI rank for each Small Cities-eligible unit of government is provided in the Appendix. Where more than one municipality is participating in the proposed project, the matching requirement will be determined by combining the MDI of each participant and dividing by the number of participating municipalities.

Where in-kind services will be used, identified costs borne by the applicant must be consistent with established DCA standards as set forth in the applicable application guide. The matching fund requirement shall not apply to Emergency Housing Repair assistance and may be waived for Employment Development Fund and Innovative Development Fund projects, when compelling reasons are accepted by the DCA.

Number of Applications

Applicants may apply for one Housing Rehabilitation grant and one Public Facilities grant per year. Applications for Employment Development grants and Innovative Development grants may exceed one application per year. However, the Department retains the discretion to award only one grant a year per jurisdiction.

Reallocation of Funds

The DCA may transfer funds (including those recaptured from cancellations or closeout balances and program income) among funding categories based on demand for assistance demonstrated by the number of applications received.

Evaluation Criteria

Emergency Housing Repair

Funding to correct emergency conditions in owner-occupied housing units may be requested at any time throughout the funding year and will be evaluated according to the following considerations:

1. Compliance with a statutory National Objective.
2. Documented needs and costs.
3. Certification that other public or private funding sources are not available.
4. Date of submission.

108 Loan Program

Applications for 108 loans are evaluated by the New Jersey Economic Development Authority to determine compliance with applicable federal statutes and regulations, with State program objectives and for credit worthiness.

Community Development and Housing Needs Statement

To be considered for assistance from any Small Cities fund (with the exception of the Emergency Housing Repair Fund and the 108 Loan Program), the applicant must provide a *Community Development and Housing Needs Statement*. This statement must include at least three components – community development needs, housing needs, and status of applicable land use plans. Instructions for preparing this document are set forth in the application guide for each Small Cities Fund.

Employment Development

This fund provides assistance to projects that will retain or create employment, primarily for people of low and moderate income. The number of jobs created or retained, funds leveraged, and links to training programs may be considered. Proposals that involve the lending of Small Cities CDBG funds to for-profit businesses must be structured to comply with guidance set forth in the Housing and Community Development Act of 1974, as amended, implementing regulations and memoranda issued by the US HUD. The amount of funding requested and the terms of any loans made must reflect the necessity for subsidized financing and the social and economic benefits to be derived.

Small Cities CDBG funds may not be the primary source of financing used by for-profit enterprises. Applicants must also demonstrate that special reasons justify Small Cities CDBG assistance. All direct assistance to for-profit enterprises will be in the form of a loan, the terms of which shall be negotiated by the parties involved and approved by the DCA.

Innovative Development

To qualify for funding, applicants must document that the problem to be addressed and/or the remedy proposed fall(s) outside the scope of other funding categories. Consultation with Grant Development and Contract Administration staff prior to the submission of a formal request for assistance is required.

Housing Rehabilitation and Public Facilities

All proposals will be subject to the following review process. Utilizing a standardized Application Review Form (Attachment A), staff of the Small Cities CDBG Program will review all applications to determine if threshold requirements are met. Applications that fail to meet **any** threshold requirement will not be funded. Those that do meet all threshold requirements will then be scored based upon the following criteria:

- ***Municipal Distress:*** The relative need of an applicant will be evaluated by using the Statewide Municipal Distress Index (MDI), which appears in the appendix. The indices are used by State agencies in allocating need-based

assistance to municipalities. Applicants may receive up to 100 points as follows:

MDI Rank	Score
0 to 100	100 Points
101 to 200	80 Points
201 to 300	60 Points
301 to 400	40 Points
401 and above	20 Points

- **Readiness to Proceed:** The degree to which an applicant is ready to proceed with the proposed project will be evaluated as follows: Applications that include resolutions for citizen participation and affirmatively furthering fair housing, a grant management plan, an environmental review record, matching funds certification, and (for Housing Rehabilitation applications only) an adopted policies and procedures manual will receive 30 points. Housing Rehabilitation applications that, in addition to the above items, include a list of income-eligible housing units to be improved, with biddable work write-ups for each unit, will receive an additional 70 points. Public Facilities applications that, in addition to the above items, include biddable plans and specifications, will receive an additional 70 points.
- **Balance Ratio:** Applicants will be rated on the remaining balance of grant wards received over the prior three year period, including all open grants. Applicants with ratios of .60 or less will receive 100 points and applicants with ratios above .60 will receive zero points.

Eligible Activities

Activities assisted under the Small Cities CDBG Program are limited to the following:

1. Requisition of real property that is blighted, appropriate for rehabilitation, appropriate for preservation as a historic site, or used for provision of public works or other public purposes.
2. Acquisition, construction, reconstruction, or installation of public works or facilities (except buildings for the general conduct of government) and site and other improvements.
3. Code enforcement in deteriorated or deteriorating areas in which such enforcement may arrest the area's decline.
4. Clearance, demolition, removal, and rehabilitation of buildings.
5. Special projects directed to the removal of architectural barriers that restrict the accessibility of the elderly and handicapped.

6. Payments to housing owners for losses of rental income incurred in holding units for relocated individuals and families displaced by activities under the program.
7. Disposition of real property acquired pursuant to the program.
8. Provision of public services if the local government has not provided such services during the 12-month period immediately preceding implementation of the program.
9. Payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of this program.
10. Payment of the cost of completing a project funded under Title I of the Housing Act of 1949.
11. Relocation payments for displaced individuals, families, businesses, and organizations.
12. Activities necessary to develop a comprehensive community development plan and to develop a policy-planning-management capacity to enable the recipient to more effectively administer the program.
13. Payment of reasonable administrative costs.
14. Activities carried out by public or private non-profit organizations including:
 - a. Planning
 - b. Acquisition, construction, reconstruction, rehabilitation, or installation of public facilities (except for buildings for the general conduct of government), site improvements, and utilities and commercial or industrial buildings or structures.
15. Assistance to non-profit organizations serving non-entitlement areas, local development corporations or entities organized under the Small Business Investment Act of 1985 to carry out a neighborhood revitalization or community economic development or energy conservation projects, including the development of shared housing opportunities for the elderly (other than by construction of new facilities).
16. Activities necessary to the development of a comprehensive community-wide energy-use strategy.
17. Assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project.
18. Rehabilitation or development of housing assisted under Section 17 of the United States Housing Act of 1937.
19. Assistance to facilitate the substantial reconstruction of housing owned and occupied by low- and moderate-income persons.
20. Technical assistance to increase the capacity of public or non-profit entities to carry out eligible neighborhood revitalization or economic development activities.

21. Housing services designed to assist homeowners, tenants, and others seeking to participate in eligible housing activities.
22. Assistance to institutions of higher education capable of implementing eligible activities.
23. Assistance to public and private organizations (for-profit as well as non-profit) to facilitate the development, stabilization, and expansion of micro-enterprises.
24. Assistance to facilitate and expand homeownership by subsidizing interest rates, financing acquisition, guaranteeing mortgages, paying up to 50% of down payments, or paying reasonable closing costs for income-eligible people.
25. Activities necessary to repair and operate housing units acquired through tax foreclosure to prevent abandonment and deterioration.
26. Assistance to facilitate and expand homeownership by subsidizing interest rates, financing acquisition, guaranteeing mortgages, paying up to 50% of down payments, or paying reasonable closing costs for income-eligible people.

Program Income and Other Recaptured Funds

CDBG Grants

Program income will remain with the grantee when the grantee demonstrates, as determined by the State, that program income can be distributed in a timely way to carry out the same activity for a specific project in accordance with a reuse plan that has been approved by the State.

The State of New Jersey interprets the phrase “the same eligible activity” to mean that the grantee must use the income for the same activity for which it was originally funded, as taken from the list of eligible activities (see pages 7-8). For example, if the income was derived from a loan to a private firm, it must be used again for loans to private firms. This does not mean that the income may only be used for an additional loan to the same firm. Nor can “continuing the activity” be so broadly defined as to mean use for the same general purpose, such as economic development.

The State will consider exceptions to this policy on a case-by-case basis. However, in the event a grantee fails to demonstrate an acceptable reuse of program income, the State will recapture program income and distribute such funds in accordance with the provisions set forth in the applicable **Plan for Distribution**.

108 Loans

The New Jersey Economic Development Authority (NJEDA) shall charge a fixed interest rate of 200 basis points, except for projects located within a Federal Empowerment Zone. In such locations the interest rate shall be 174 basis points above the rate charged to the NJEDA by HUD. This amount is considered income to the NJEDA.

Displacement

The Small Cities CDBG Program will seek to minimize involuntary displacement of persons from their neighborhoods and homes and to mitigate the adverse effects of any such displacement on low-and moderate-income persons. The State will require applicants to assess all feasible alternatives to any activity resulting in involuntary displacement.

In the event that involuntary displacement is the only feasible alternative, the State will require that grantees comply with the requirements of the Housing and Community Development Act of 1974, as amended; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended; and the statutory amendments implementing regulations (CFR Part 24). In addition, the State will require that grantees comply with the requirements of the New Jersey Relocation Assistance Acts (P.L. 1971, c.362 and P.L. 1967, c. 79) and the New Jersey Regulations for Provision of Relocation Assistance (N.J.A.C. 5:40-1 et seq.).

HOME Program

Program Purpose

The HOME Program (HOME) encourages partnerships among government, nonprofit and for-profit developers to meet the housing needs of very low-, low- and moderate-income individuals and families.

Proposed Use of Funds

For FFY 2007, it is estimated that DCA will receive an allocation of \$7,066,882 million in HOME funds. These funds will be used to fulfill the federal mandate of increasing the supply of decent, affordable housing, with a primary focus on providing services for very low-income families. Ten percent, or \$706,688, will be used for eligible administrative and planning costs incurred by the State. The remaining \$6,360,194 million will fund the following program activities: substantial rehabilitation, new construction and tenant-based rental assistance.

Eligible applicants for HOME funds are municipalities, nonprofit and for-profit developers.

The State's HOME funds will be allocated to the following three funding categories:

Production Set-Aside

Community Housing Development Organization (CHDO) Production provides funding to eligible CHDOs producing affordable units. Eligible activities include: acquisition, demolition and removal of buildings; construction of new housing; conversion of non-residential to residential space and the substantial rehabilitation of vacant buildings. The State will use its set-aside to create approximately 27 units.

Housing Production Investment provides funds to developers for the purpose of creating affordable rental and sale units. Eligible activities include: acquisition, demolition and removal of buildings; construction of new housing; conversion of non-residential to residential space and the substantial rehabilitation of vacant buildings. The program will create 28 units.

Homeless Assistance Programs

HOME Tenant-Based Rental Assistance (TBRA) helps reduce the housing costs of very low-income households by providing direct rent subsidy payments to their landlords. The program will provide an additional 400 vouchers for rental assistance.

American Dream Downpayment Initiative (ADDI)

The State will utilize \$202,491 to assist first-time homebuyers. This will provide financial assistance to no fewer than 20 potential homebuyers.

Program Description: Accumulating the funds for down payment and closing costs is a common barrier to potential homeowners. The American Dream Downpayment Initiative is available to participants in the Agency's Home Buyer Program who earn less than 80% of HUD's county median-income adjusted for family size. The program offers a second mortgage for down payment and/or closing costs up to lesser of \$10,000 or 6% of the purchase price, but in no case less than \$1,000. Eligible costs include down payment and closing costs. Closing costs must be acceptable to the Agency, and include lender application fees, credit report fees, appraisal fees, points, title search and insurance fees, closing agent fees, filing costs and such other costs as are customary and indicated on the HUD 1 settlement statement.

Up to 20% of the American Dream Downpayment Initiative funds will be made available for eligible rehabilitation costs. These costs include reduction of lead paint hazards, remediation of health and safety code violations, accessibility enhancements for the disabled, and certain other costs allowed by HUD.

Eligible Borrowers: Eligible households are those which qualify and receive financing under the Agency's Home Buyer Program and whose income is less than 80% of the maximum income permitted under the HUD median income based on family size and county of purchase. For the initial four months of the ADDI program, 25% of the available ADDI funds will be set aside for Section 8 recipients, Public Housing Authority and manufactured housing residents, other federally or State assisted housing residents, Agency Special Need programs borrowers, homeowners identified through the Housing Affordability Service and eligible displaced homemakers and single parents. Corporations and investors are not permitted to act as borrowers. There are currently 14 Public Housing Authorities participating in the program.

The State anticipates that at least 30% of the funds will go to minority households.

Eligible Properties: One- to four-family residences (set-aside programs listed in #3 above may limit the number of units that can be purchased), condominiums or cooperative units. Properties must be located in Smart Growth areas as defined by the New Jersey State Development and Redevelopment Plan. Newly constructed units are eligible for purchase; however, ADDI funds cannot be used to pay for any construction related item. Properties must conform to local and/or State code standards.

Occupancy: Property must be occupied as the borrower's primary residence within 60 days of closing. Borrower must maintain occupancy for the life of the loan.

Housing Counseling: All ADDI buyers must go to pre and post purchase counseling paid for by the NJ Housing and Mortgage Finance Agency. The topics covered in the classes include: budgeting, homeownership pitfalls, maintenance and general home buyer/ homeowner counseling. All borrowers that experience financial difficulty during the term of their mortgage are able to contact a HUD certified counselor for assistance. HMFA pays for this service.

Loan Terms: The Agency will make American Dream Downpayment Initiative second mortgage loans in the amount of \$10,000 or 6% of the purchase price, whichever amount is lower. Interest on the second mortgage will be at the same rate as the first mortgage and will be calculated as simple interest. All assistance secured under the American Dream Downpayment Initiative will be partially forgiven in four equal increments starting on the fourth anniversary of the closing of the loan and on each anniversary thereafter until the debt is satisfied. If the borrower lives in the property for seven (7) years the principal plus accrued interest will be fully forgiven.

If the borrower sells, cash-out refinances (ADDI second mortgages will not be subordinated to any other secondary financing liens, but can be discharged upon repayment which may be with the proceeds of secondary financing) or ceases to occupy the property as his/her primary residence full repayment will be due as follows:

Months one (1) through 48 principal and accrued interest is due. After month 48, 25% of the 2nd Mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 60, 25% of the 2nd mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 72, 25% of the 2nd mortgage will be forgiven and the principal balance and interest re-amortized based on the new principal amount.

After month 84, the remaining 25% of the 2nd mortgage will be forgiven and the principal balance and interest discharged.

NOTES: There will be no forgiveness of debt during the first four years, thereafter; forgiveness of debt will not be apportioned for a partial year. If in addition to ADDI funds, other HOME funds are being made available to the borrower in the form of a loan or grant, the recapture period may be longer as required by HUD.

Income Limits: Maximum income limits for the ADDI program are 80% of the HUD median income adjusted for family size for the county of purchase:

Plan for conducting targeted outreach to residents and tenants of public housing & manufactured housing: In order to reach the PHA tenants most likely to be thinking about buying a home, the State will require that all of its Section 8 housing counselors include information about the ADDI Program in their course curriculum. In addition, the State will inform the New Jersey Manufactured Housing Association about the ADDI Program. Part of their mission is to inform their members and the general public about issues related to manufactured housing.

Geographic Distribution of Funds

HOME funds will be distributed throughout the state. Priority assistance will be given to non-entitlement HOME communities, those that are not receiving a HOME allocation and not able to construct or otherwise provide affordable housing without financial assistance. This will be accomplished by involving for-profit and nonprofit sponsors and developers, Community Housing Development Organizations, lending institutions, and any other entity that could bolster the implementation of the State's Consolidated Plan and HOME Programs.

Match Requirements

In order to satisfy the 25% match requirement cited in CFR 92.218, the State of New Jersey will utilize its primary affordable housing production program, Neighborhood Preservation Balanced Housing.

Homebuyer Guidelines

The State already has a program with procedures in place to implement long-term affordability controls and price guidelines that meet the provisions of section 92.254(a) (4). The State's Housing Affordability Service performs these types of activities and controls.

Affirmative Marketing and Minority Outreach

Affirmative Marketing

In accordance with 24 CFR Part 92, the sponsor/developer of any HOME-assisted project will be required to do the following:

- Include a statement regarding its affirmative marketing policy and procedures in all media releases and reports informing the public about the program.
- Include a description of applicable fair housing laws in the information provided to the homeowners and renters.

- Include the Equal Housing Opportunity logo, slogan or statement in all newspaper and other media announcements regarding the program.
- Discuss its affirmative marketing policy and procedures and the fair housing laws directly with the homeowners and renters.

Special Minority Outreach Efforts

The State will require all grantees to solicit applications from persons not likely to apply for housing without special outreach. Outreach efforts will include notifying the following groups about available housing units: community-based organizations, churches, public housing authorities, employment centers, fair housing groups and housing counseling agencies.

Minority Business Outreach Efforts

The State strongly encourages the use of minority and women-owned businesses in all HOME-assisted activities.

Monitoring

DCA will monitor the grantees' records to insure that the project continues to meet the HOME affordability and other requirements. The following types of documents will be reviewed:

- Documentation that the project meets applicable property Housing Quality Standards.
- Documentation on income and size of families
- Documentation on rent and estimated utility levels for HOME assisted units and evidence that income targeting requirements are met.
- For homeownership projects, records describing the income level and family size for each family assisted and documentation establishing the after-rehabilitation value of the property.

HOME Funds Allocated for State FY 2008

	AMOUNT OF FUNDS	PERCENTAGE OF FUNDS
ADMINISTRATION	\$ 706,688	10%
<i>CHDO Production</i>	\$1,060,032	15%
Production Investment	\$1,766,721	25%

<i>Tenant-Based Rental Assistance</i>	\$3,533,441	50%
TOTAL	\$7,066,882	100%

HOPWA PROGRAM

Grant purpose

The Housing Opportunities Program provides housing assistance and supportive services for low-income persons with HIV/AIDS and their families. Administered since 1993 by DCA on behalf of the New Jersey Department of Health and Senior Services (DHSS), HOPWA enables eligible persons with HIV/AIDS and their families to secure decent, safe and sanitary housing in the private rental market by providing tenant-based rental assistance (TBRA).

The DCA works closely with community-based support organizations that provide participants with case management and ancillary services in conjunction with the rental subsidies. These agencies certify that each HOPWA participant receives required case management services and meets the disability criteria. HIV/AIDS service providers meet with the project sponsors (DCA and DHSS) on a quarterly basis in order to review program activities and progress.

The State program currently covers the following counties: Atlantic, Cape May, Cumberland, Mercer, Salem and Monmouth. DCA anticipates assisting approximately 200 households in the Program.

Eligible applicants

A low-income individual living alone, or as a head of household, or an eligible child residing with a parent or legal guardian who is HIV/AIDS positive is qualified to receive permanent tenant-based rental assistance.

Applicants must be referred to DCA by a participating HIV/AIDS service provider agency and be receiving HIV/AIDS case management. Applications will not be accepted directly from the applicant.

Emergency Shelter Grant Program

Grant Purpose

The purpose of the Emergency Shelter Grant (ESG) program is to assist units of government and nonprofit organizations in their efforts to provide services to homeless individuals and families. The Emergency Shelter Grant Program monies are primarily used to fund the capital costs to rehabilitate properties to create new emergency shelters and transitional housing facilities and to eliminate health and safety violations in existing emergency shelters.

The Emergency Shelter Grant Program is under the umbrella of the Shelter Support Program. The Shelter Support Program seeks to look at homelessness in a comprehensive way. So, in addition to bricks and mortar activities provided for through the ESG program, the Shelter Support Program encourages and participates in a continuum of care approach to service the many needs of homeless individuals and families. Other activities of the Shelter Support Program include:

- Working with grantees to ensure that homeless individuals receive comprehensive case management services to help them achieve independent living.
- Collaboration with other State agencies in the planning and development of programs and services to reduce the number of homeless individuals and families, streamlining services, advocacy, and other important and relevant issues.
- Coordination of efforts with the Comprehensive Emergency Assistance System (CEAS) Committees that operate in each county.

Eligible Activities

Emergency Shelter Grant funds may be used to implement one or more of the following activities:

- Renovation, major rehabilitation, or conversion of buildings for use as emergency shelter and transitional housing for the homeless.
- Construction of new transitional housing for the homeless.
- Purchase of equipment, furnishings and vans that will provide direct benefits to the shelter's residents.

Eligible Applicants

All units of government or private, nonprofit organizations throughout New Jersey may apply for funding. A private, nonprofit organization may either apply directly or through a unit of government.

A nonprofit organization is defined as a secular or religious organization described in Section 501 c of the Internal Revenue Code of 1954, making it exempt from taxation, assuring it has an accounting system, a voluntary governing board, and practices non-discrimination in the provision of services.

HUD grant funds may be used to renovate, rehabilitate or convert buildings owned by primarily religious organizations or entities provided that the funds are not used also to support inherently religious activities such as worship, religious instruction or proselytizing. Religious activities that are conducted in these buildings must be voluntary for participants of HUD-funded activities and must occur separately in time or location from HUD-funded activities.

Funding Priorities

Priority will be given to proposals that seek to:

- Create additional shelter beds and transitional housing units for the homeless, particularly for families and homeless youth (18-21 years of age) and specialized populations such as the mentally ill homeless, persons with HIV/AIDS, and those with alcohol/substance abuse, victims of domestic violence and homeless ex-offenders when the need for such a facility is clearly documented
- Improve the quality of existing emergency shelters and transitional housing arrangements by eliminating code violations and improving health and safety conditions.

Housing Needs Data

Name of Jurisdiction: NJ		Source of Data: CHAS Data				Data Current as of: 2000					
Household by Type, Income, & Housing Problem	Renters					Owners					
	Elderly	Small Related	Large Related	All	Total	Elderly	Small Related	Large Related	All	Total	Total
	(1 & 2 members)	(2 to 4 members)	(5 or more members)	Other	Renters	(1 & 2 members)	(2 to 4 members)	(5 or more members)	Other	Owners	Households
Household Income <= 50% MFI	126,245	146,060	43,350	98,285	413,940	172,242	62,495	21,865	30,395	286,997	700,937
Household Income <=30% MFI	82,065	78,925	22,945	59,895	243,830	76,394	24,860	7,915	16,585	125,754	369,584
% with any housing problems	64.5	80.5	91.4	71.2	73.9	85.5	84.6	90.4	77.2	84.6	77.5
% Cost Burden >30% MFI	63.5	77	80.9	69.6	71	85.4	84	87.5	76.7	84.1	75.4
% Cost Burden >50% MFI	45.5	63.5	61	60.5	56.5	62.1	76.7	78	69.5	67	60
Household Income >30 to <=50% MFI	44,180	67,135	20,405	38,390	170,110	95,848	37,635	13,950	13,810	161,243	331,353
% with any housing problems	65.8	76.7	85.1	81.7	76	59.2	82	87.8	82.3	69	72.6
% Cost Burden >30%	64.9	70.2	55.6	79.4	69.1	59	81	82.3	82.2	68.1	68.7
% Cost Burden >50%	26.5	18.2	10.3	27.1	21.4	21.5	53.6	50.5	51.3	34.1	27.6
Household Income >50 to <=80% MFI	28,195	78,300	22,395	60,050	188,940	98,155	82,865	29,595	27,650	238,265	427,205
% with any housing problems	44.8	41	65.8	42.7	45.1	29.7	66.1	73.8	64.2	51.8	48.8
% Cost Burden >30%	42.9	29.9	18.2	39.8	33.6	29.6	65	65.1	63.8	50.3	42.9
% Cost Burden >50%	7.6	2.7	1	4.5	3.8	9.8	23.7	18.1	25.6	17.5	11.4
Household Income >80% MFI	39,380	203,905	40,470	166,410	450,165	248,014	873,254	202,350	162,405	1,486,023	1,936,188
% with any housing problems	11.9	12.7	52.4	8.8	14.8	11.5	16.1	23.8	23	17.1	16.6
% Cost Burden >30%	10	3.5	2.1	6	4.9	11.3	15.3	16.4	22.5	15.6	13.1
% Cost Burden >50%	2.3	0.3	0	0.6	0.6	2.4	2	2.1	3.2	2.2	1.8
Total Households	193,820	428,265	106,215	324,745	1,053,045	518,411	1,018,614	253,810	220,450	2,011,285	3,064,330
% with any housing problems	51.2	40.4	69.9	35.2	43.8	34.7	24.3	35.2	36	29.6	34.5
% Cost Burden >30	49.9	32.3	32.8	32.6	35.7	34.5	23.5	27.9	35.5	28.2	30.8
% Cost Burden >50	26.9	15.2	15.4	15.5	17.5	16.1	7.5	9	14	10.6	13
Any housing problems: cost burden greater than 30% of income and/or overcrowding and/or without complete kitchen or plumbing facilities.											
Other housing problems: overcrowding (1.01 or more persons per room) and/or without complete kitchen or plumbing facilities.											
Elderly households: 1 or 2 person household, either person 62 years old or older.											
Cost Burden: Cost burden is the fraction of a household's total gross income spent on housing costs. For renters, housing costs include rent paid by the tenant plus utilities. For owners, housing costs include mortgage payment, taxes, insurance, and utilities.											

Housing Problems Output for White Non-Hispanic Households									
Name of Jurisdiction:		Source of Data:			Data Current as of:				
New Jersey		CHAS Data Book			2000				
Household by Type, Income, & Housing Problem	Renters				Owners				Total Households
	Elderly 1 & 2 Member Households	Family Households	All Other Households	Total Renters	Elderly	Family Households	All Other Households	Total Owners	
Household Income <=50% MFI	83,855	47,565	48,310	179,730	156,040	53,570	24,075	233,685	413,415
Household Income <=30% MFI	50,955	22,010	27,800	100,765	67,745	20,455	12,980	101,180	201,945
% with any housing problems	66.1	83.4	73.7	72	85.8	86.9	78.5	85.1	78.5
Household Income >30 to <=50% MFI	32,900	25,555	20,510	78,965	88,295	33,115	11,095	132,505	211,470
% with any housing problems	68.2	79.8	83.2	75.9	58	82.8	81.6	66.2	69.8
Household Income >50 to <=80% MFI	21,405	34,625	36,070	92,100	90,475	78,300	22,850	191,625	283,725
% with any housing problems	46.5	41.1	43.7	43.4	27.8	66	63	47.6	46.2
Household Income >80% MFI	31,030	112,775	114,620	258,425	227,055	865,065	138,505	1,230,625	1,489,050
% with any housing problems	12.8	8.7	7.3	8.6	10.5	15.3	21.9	15.1	14
Total Households	136,290	194,965	199,000	530,255	473,570	996,935	185,430	1,655,935	2,186,190
% with any housing problems	51.4	32.2	31	36.7	33.4	23	34.5	27.3	29.5

Housing Problems Output for Black Non-Hispanic Households									
Name of Jurisdiction:		Source of Data:			Data Current as of:				
New Jersey		CHAS Data Book			2000				
Household by Type, Income, & Housing Problem	Renters				Owners				Total Households
	Elderly 1 & 2 Member Households	Family Households	All Other Households	Total Renters	Elderly	Family Households	All Other Households	Total Owners	
Household Income <=50% MFI	24,680	60,060	26,095	110,835	10,330	12,560	3,465	26,355	137,190
Household Income <=30% MFI	18,325	36,045	17,295	71,665	5,670	5,345	2,025	13,040	84,705
% with any housing problems	58.9	78.6	69.7	71.4	84.3	85.6	72.6	83	73.2
Household Income >30 to <=50% MFI	6,355	24,015	8,800	39,170	4,660	7,215	1,440	13,315	52,485
% with any housing problems	55.1	70.5	77.2	69.5	73.4	80.7	83.7	78.5	71.8
Household Income >50 to <=80% MFI	3,775	24,430	12,515	40,720	4,845	13,945	2,695	21,485	62,205
% with any housing problems	34.7	38.1	35.1	36.9	49	65	68.5	61.8	45.5
Household Income >80% MFI	4,405	42,260	22,915	69,580	11,960	77,645	12,715	102,320	171,900
% with any housing problems	3.4	17	8.6	13.4	21.3	21.4	29.9	22.4	18.8
Total Households	32,860	126,750	61,525	221,135	27,135	104,150	18,875	150,160	371,295
% with any housing problems	47.9	48.7	41	46.5	48.4	34.6	44.1	38.3	43.2

Housing Problems Output for Hispanic Households									
Name of Jurisdiction:		Source of Data:			Data Current as of:				
New Jersey		CHAS Data Book			2000				
Household by Type, Income, & Housing Problem	Renters				Owners				Total Households
	Elderly 1 & 2 Member Households	Family Households	All Other Households	Total Renters	Elderly	Family Households	All Other Households	Total Owners	
Household Income <=50% MFI	13,825	64,405	16,395	94,625	3,505	11,265	1,660	16,430	111,055
Household Income <=30% MFI	9,870	34,530	9,920	54,320	1,710	4,265	915	6,890	61,210
% with any housing problems	65.8	86.8	71.9	80.3	83.3	83.6	73.2	82.1	80.5
Household Income >30 to <=50% MFI	3,955	29,875	6,475	40,305	1,795	7,000	745	9,540	49,845
% with any housing problems	61.6	81.8	82.6	79.9	74.1	87	85.2	84.4	80.8
Household Income >50 to <=80% MFI	2,365	31,810	7,925	42,100	1,765	12,725	1,295	15,785	57,885
% with any housing problems	44	54.9	45.7	52.6	59.5	78.9	74.1	76.4	59.1
Household Income >80% MFI	2,685	54,000	14,650	71,335	4,250	61,140	5,290	70,680	142,015
% with any housing problems	13	34.7	17	30.3	25.1	33.3	29.9	32.5	31.4
Total Households	18,875	150,215	38,970	208,060	9,520	85,130	8,245	102,895	310,955
% with any housing problems	54.7	60.3	47.7	57.5	51.2	47.1	46.6	47.4	54.1

Median Rent/ Sale Price- New Jersey			
	2004	2006	% of Change
Median Sale:	\$322,100	\$360,000	10.5%
Median Rent:	\$1,058	\$1,103	4.1%
Median Rent/ Sale Price- Northern Region			
	2004	2006	% of Change
Median Sale:	\$386,500	\$443,400	12.8%
Median Rent:	\$1,058	\$1,098	3.6%
Median Rent/ Sale Price- Central Region			
	2004	2006	% of Change
Median Sale:	\$322,200	\$346,000	6.9%
Median Rent:	\$1,120	\$1,199	6.6%
Median Rent/ Sale Price- Southern Region			
	2004	2006	% of Change
Median Sale:	\$189,300	\$233,400	18.9%
Median Rent:	\$907	\$911	0.4%
Sources: New Jersey Association of Realtors and <i>Out of Reach</i> 2006			

Geography	Unemployment Rate (2005)*	% of Individuals below Poverty level***	% of Individuals Disabled***	% of renters unable to afford 2-bedroom FMR**
New Jersey	4.4%	8.7%	11.9%	51%
Atlantic County	5.2%	8.9%	11.6%	54%
Bergen County	3.7%	5.5%	7.5%	44%
Burlington County	3.7%	4.6%	10.6%	40%
Camden County	4.7%	12.4%	12.8%	54%
Cape May County	6.4%	7.4%	10.2%	50%
Cumberland County	6.2%	12.6%	16.0%	62%
Essex County	5.6%	14.7%	8.8%	59%
Gloucester County	4.3%	6.7%	9.7%	52%
Hudson County	5.4%	16.5%	9.1%	54%
Hunterdon County	3.0%	1.4%	6.9%	48%
Mercer County	3.8%	8.5%	7.5%	51%
Middlesex County	4.1%	7.8%	7.2%	47%
Monmouth County	4.0%	6.0%	8.8%	57%
Morris County	3.2%	2.9%	6.6%	37%
Ocean County	4.5%	7.4%	12.1%	58%
Passaic County	5.4%	14.6%	9.9%	58%
Salem County	4.8%	10.0%	12.2%	59%
Somerset County	3.3%	3.6%	5.4%	41%
Sussex County	3.8%	4.4%	8.6%	46%
Union County	4.7%	8.9%	8.7%	47%
Warren County	3.8%	4.7%	9.3%	48%
* Source: NJ Department of Labor, Local Area Unemployment Statistics				
**Source: <i>Out of Reach</i> 2006				
***Data from 2005 American Community Survey				

Substandard Units (2005)

	Number of Housing Units Lacking complete plumbing facilities	Number of Housing Units Lacking complete kitchen facilities	Number of Housing Units Lacking complete kitchen facilities	Total Substandard Units
New Jersey	27,221	35,788	7,024	70,033
Atlantic County	767	920	297	1,984
Bergen County	919	1,025	674	2,618
Burlington County	1,398	1,041	137	2,576
Camden County	2,589	4,193	215	6,997
Cape May County	278	761	179	1,218
Cumberland County	536	482	220	1,238
Essex County	2,229	5,584	1,449	9,262
Gloucester County	534	536	253	1,323
Hudson County	2,544	4,124	959	7,627
Hunterdon County	129	346	23	498
Mercer County	2,027	2,717	447	5,191
Middlesex County	2,498	2,413	462	5,373
Monmouth County	2,117	2,478	391	4,986
Morris County	519	775	661	1,955
Ocean County	2,549	2,961	87	5,597
Passaic County	2,558	1,768	165	4,491
Salem County	637	413	46	1,096
Somerset County	167	299	151	617
Sussex County	330	194	44	568
Union County	1,647	2,609	153	4,409
Warren County	249	149	11	409

Source: American Community Survey

SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME		
Housing unit with a mortgage	1,493,048	100.00%
Less than 20.0 percent	440,068	29.47%
20.0 to 24.9 percent	240,847	16.13%
25.0 to 29.9 percent	198,894	13.32%
30.0 to 34.9 percent	152,172	10.19%
35.0 percent or more	456,093	30.55%
Not computed	4,974	0.33%
Housing unit without a mortgage	621,024	100.00%
Less than 10.0 percent	136,150	21.92%
10.0 to 14.9 percent	118,518	19.08%
15.0 to 19.9 percent	82,191	13.23%
20.0 to 24.9 percent	61,483	9.90%
25.0 to 29.9 percent	47,139	7.59%
30.0 to 34.9 percent	29,911	4.82%
35.0 percent or more	141,128	22.73%
Not computed	4,504	0.73%
GROSS RENT		
Renter-occupied units	1,027,884	100.00%
Less than \$200	36,909	3.59%
\$200 to \$299	28,585	2.78%
\$300 to \$499	50,838	4.95%
\$500 to \$749	160,299	15.60%
\$750 to \$999	296,292	28.83%
\$1,000 to \$1,499	297,834	28.98%
\$1,500 or more	117,028	11.39%
No cash rent	40,099	3.90%
Median (dollars)	935	0.09%
Housing Occupancy	Estimate 2005	Percent
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME		
Less than 15.0 percent	114,993	11.19%
15.0 to 19.9 percent	121,214	11.79%
20.0 to 24.9 percent	130,718	12.72%
25.0 to 29.9 percent	116,361	11.32%
30.0 to 34.9 percent	92,983	9.05%
35.0 percent or more	396,581	38.58%
Not computed	55,034	5.35%