

**PROGRAM GUIDELINES AND PROCEDURES**  
**PROGRAM: AFFORDABLE HOUSING TRUST FUND PROGRAM (AHTF)**  
**LEAD AGENCY: New Jersey Department of Community Affairs**

**PROGRAM DESCRIPTION:**

The purpose of the Affordable Housing Trust Fund Program is to provide municipalities, for-profit and non-profit developers with financial assistance to advance the development of affordable housing across the State. These affordable housing developments have the potential to not only provide high-quality, much-needed housing for NJ citizens, but also to strengthen neighborhoods and stimulate economic development across the state. With this allocation of the Affordable Housing Trust Fund, the NJ Department of Community Affairs (DCA) seeks to support municipalities with court-sanctioned affordable housing settlements in creating needed housing, to build on existing assets and collaborations by funding projects that leverage other state or local investments and public-private partnerships to increase the impact of these funds, and to support innovation and projects that maximize impact. Funding for the program is generated from a portion of the realty transfer fee that is deposited into the NJ Affordable Housing Trust Fund.

**DISTRIBUTION OF CURRENT ALLOCATION:**

The current allocation of the Affordable Housing Trust Fund will support affordable rental and homeownership projects sized at 25 units or fewer, to create a funding stream for projects that fit into a variety of communities and that currently do not have a dedicated state funding stream. Financing will be distributed through three funds:

- **Municipal Settlement Fund** - This fund will help communities create smaller-scale projects that fit into the landscapes of their neighborhoods and assists municipalities in fulfilling their court-sanctioned affordable housing settlements. Applicants may be municipalities or developers supported by the municipality, and municipalities will be required to provide leverage in the form of funding from their own Affordable Housing Trust Funds or, where there is no AHTF, in the form of publicly owned property made available at low or no cost, or some other form of investment. Approximately fifty percent (50%) of the allocation will be distributed through the Municipal Settlement Fund.
  
- a) **Neighborhood Partnerships Fund** - This fund will support the development of affordable housing in Qualified Urban Aid Towns, particularly those projects that leverage other existing resources to strengthen their neighborhoods. This fund will prioritize projects that further community development initiatives from coordinated state investments from DCA or other state agency projects, such as:
  - Neighborhood Preservation Program (DCA)
  - Neighborhood Revitalization Tax Credit Program (DCA)
  - Main Street Program (DCA)
  - Transit Villages (Department of Transportation)
  - Local Aid and Economic Development (Department of Transportation)
  - Opportunity Zone Challenge Grant (Economic Development Authority)
  - 21<sup>st</sup> Century Redevelopment Program (Economic Development Authority)
  - Other State agency investments; and

b) Partnerships with private sector investors such as:

- Community Development Financial Institutions
- Philanthropic Foundations
- Anchor institutions such as hospitals
- Other private partners

Approximately forty percent (40%) of the allocation will be distributed through the Neighborhood Partnerships Fund.

- **Innovation Fund** – This fund will provide financing for innovative projects, as well as funds for studies, plans and technical services for municipalities as allowed under the establishing statute for these funds. This fund will prioritize innovative projects that may not fit under the umbrella of the other two funds, such as makerhoods, tiny homes, housing innovations aimed at the Asset Limited, Income Constrained, Employed (ALICE) population, healthy homes and new technologies. A portion of these funds may also be used for grants to municipalities to create long-term affordable housing plans. Additionally, the fund may be used for capacity building initiatives, such as the creation of a technical guidance “library” offering case studies and how-to information on the development of new models of housing, changes in redevelopment practices, reducing regulatory barriers that increase construction cost, etc. Approximately ten percent (10%) of this allocation will be distributed through the Innovation Fund.

**ELIGIBILITY REQUIREMENTS:**

**PROJECT LOCATION:**

Projects must be located in municipality meeting one of the following requirements:

- Entered into a judicially approved compliance agreement to settle its fair share housing obligation
- Subject to a court-ordered builder’s remedy
- Is designated as a receiving municipality under a Regional Contribution Agreement
- Eligible to receive state aid pursuant to P.L. 1978, c.14 (N.J.S.A. 52:27D-178 et seq.).

**ELIGIBLE APPLICANTS**

- Municipalities
- For-Profit Housing Sponsors
- Non-Profit Housing Sponsors
- Individuals, Corporations, Limited Partnership, etc.

**MAXIMUM AWARD:**

- Municipal Settlement Fund and Neighborhood Partnerships Fund: \$6,000,000
- Innovation Fund: \$2,000,000

**STRUCTURE OF FUNDS:**

- Funds are provided on a reimbursement basis as a soft second amortizing loan at 1% with a term equal to the affordability control period. Annual repayment is 50% of net cash flow, if available. Unpaid accrued interest will be added to the outstanding principal. All outstanding principal and any accrued interest will be due at the end of the term.

### **ELIGIBLE ACTIVITIES**

- The current allocation will only accept application for affordable rental or homeownership projects containing 25 units or fewer.
- All units must be affordable to families and individuals earning less than 80% of the Area Median Income (AMI).

### **INELIGIBLE PROJECT TYPE**

- The required affordable portion of any inclusionary development
- Conversion of public housing to homeownership
- The payment of court ordered judgements or governmentally imposed fines
- Projects that can be funded from other sources
- Projects that are currently or anticipate receiving other DCA or NJHMFA funding

### **THRESHOLD REQUIREMENTS**

- All financial sources must have written commitments
- Projects must be financially feasible as determined through DCA underwriting
- Debt coverage ratio must be at least 1.2
- All projects shall be provided with an automatic fire suppression system
- All projects shall meet Energy Star and approved green building strategies
- All projects must be handicap adaptable, in conformance with the barrier free subcode
- Projects must be completed within two years
- Projects must not be in a floodplain or environmentally sensitive area
- Applicant must be in good standing with NJ and the U.S. Department of Housing and Urban Development (HUD) if applicable
- Project must provide proof of site control (deed, contract of sale, option agreement, etc.)
- Project must provide original sealed resolution of support from applicant's board
- Project must provide original sealed municipal resolution of support
- All projects must be permanent housing, and housing may not be contingent upon acceptance of supportive services
- Units shall remain income-restricted for a period of not less than 20 years
- Occupants must be individuals or families earning less than 80% of Area Median Income
- Projects must use the NJ Housing Affordability Service as their Administrative Agent
- Projects must use the NJHMFA Resource Center and be affirmatively marketed
- Projects must follow the Uniform Housing Affordability Controls (UHAC)
- Projects participating in the Municipal Settlement Fund must demonstrate investment from the municipal Affordable Housing Trust Fund and/or other municipal investment (donation of land, etc.)

### **APPLICATION REVIEW CRITERIA**

DCA will review and approve applications based on the following criteria:

**Organizational capacity and strength of the development team** - The applicant's capacity and successful experience in developing and managing affordable housing projects will be crucial in ensuring that funds are obligated quickly and that projects are successfully completed in a timely fashion. Applications must demonstrate the following:

- Applicant has experience in developing affordable housing
- Applicant has demonstrated financial ability to develop the project
- Applicant has demonstrated successful experience in quickly and efficiently achieving housing objectives through DCA or other similar housing development programs
- Applicant has no loan findings or other outstanding issues with DCA or HUD
- Project timeline is feasible, and project will be completed within two years of award
- Project budget is feasible and reasonable

**State priorities** -- In addition to the criteria above, projects will be prioritized based on the following criteria:

- Leverage provided
- Sustainability/resilience
- Walkability
- Mixed use
- Accessibility
- Projects addressing gentrification
- Projects providing deeper affordability, such as those targeting households earning less than 50% of AMI
- Projects providing family housing, especially those providing units for larger families based on need in the community

**For Municipal Settlement Fund projects, additional priorities include:**

- Location of project in areas with employment opportunities, access to transit and educational opportunities
- Projects serving targeted populations for which the municipality has determined an enhanced need (such as homeless families, people with special needs, etc.)

**For Neighborhood Partnership Fund projects, additional priorities include:**

- a) Documented demonstration of coordinated State investments from DCA or other State agency projects, such as:
  - Neighborhood Preservation Program (DCA)
  - Neighborhood Revitalization Tax Credit Program (DCA)
  - Main Street Program (DCA)
  - Transit Villages (Department of Transportation)
  - Local Aid and Economic Development (Department of Transportation)
  - Opportunity Zone Challenge Grant (Economic Development Authority)
  - 21<sup>st</sup> Century Redevelopment Program (Economic Development Authority)
  - Other State agency investments; and
- b) Partnerships with private sector investors such as:
  - Community Development Financial Institutions
  - Philanthropic Foundations
  - Anchor institutions such as hospitals

- Other private partners

Supportive housing projects and projects serving people who are homeless, seniors, and people with other special needs are encouraged in all three funds.

**Additional Requirements:**

Please note that in addition to requirements in these guidelines, all projects must meet the requirements of the Neighborhood Preservation Balanced Housing Rules N.J.A.C. 5.43-1.1 *et seq.*

**Equitable Project Distribution**

Although the entire State is eligible, DCA reserves the right to distribute projects equitably throughout the State.

**APPLICATION PROCEDURES**

**Meetings with Eligible Applicants**

DCA staff will accept pre-applications, publish a Request for Proposals in SAGE, provide educational webinars and conduct meetings with eligible applicants. The purpose of the meetings will be to provide the background information and program requirements that applicants will need to prepare a proposal.

The webinars and meetings will cover the following topics:

- How to access SAGE, the Department Electronic Application process.
- Development priorities for the Affordable Housing Trust Fund Program.
- An overview of DCA’s program standards, application process and requirements, project requirements and approval process.
- An overview of applicable State regulations.

***DCA Program Standards and Application Requirements***

DCA will detail project requirements that must be met for a project to be eligible for the program. These requirements include the following project eligibility criteria:

- Units shall remain restricted for a period of not less than 20 years
- Occupants must be individuals or families earning less than 80% AMI
- Projects must use the New Jersey Housing Affordability Service as their Administrative Agent
- Projects must use the NJHMFA Resource Center and be Affirmatively Marketed
- Projects must follow the Uniformed Housing Affordability Controls (UHAC)

***Request for Proposals***

The Request for Proposals (RFP) for AHTF projects will be posted on the DCA website. The DCA requires that applicants follow a uniform format in submitting proposals. The application must be submitted via the Department of Community Affairs’ System for Administering Grants Electronically (SAGE). **Two (2) copies of the attachments will be submitted by hard copy separately.**

Applications will be accepted on a rolling basis. DCA is authorized to approve an application consistent with program policy guidelines using selection criteria, such as, but not limited to the following:

- Information about the Applicant and the personnel who will oversee construction.
- Information about the development.

- Information about the site and the ability of the Applicant to develop on the site.
- Information about the properties being developed, plans and specifications, the contractor (if known), and the construction proposal.
- How the proposal relates to the existing neighborhood.
- A marketing plan describing how the units will be advertised and rented.
- A project schedule showing that the property will be developed within the allowable time period.
- A project budget, including an operating pro forma.

### **Review of RFP Responses**

Staff from DCA will review each application based mainly on the following factors:

- Organizational capacity and strength of the development team
- Intent to further the State’s commitment to the development of affordable housing in areas of high opportunity
- Demonstration of how project meets the State’s priority criteria as described above
- Population served
- AHTF project financing spreadsheet
- Project’s ability to meet all program requirements

Although there may be only one organization acting as an Applicant, DCA strongly encourages Applicants to take a “Development Team Approach” in applying for and administering AHTF funds. The DCA prefers that Applicant demonstrate that they have assembled a Development Team with sufficient experience and expertise to undertake and successfully complete the planned activities in a timely manner as described in the Application. DCA will require documentation that outlines the roles and responsibilities of key team members to implement an AHTF project.

A successful Development Team has the ability to successfully manage and complete the following:

- Site control and acquisition
- Specification development (Bid Specification - Development Documents)
- Contractor procurement, vetting, and selection
- Construction management and oversight, including inspections and draw request verification
- Funds management and compliance
- Working knowledge of Federal and State housing production regulations
- Marketing directed to the AHTF eligible tenant
- Financial structuring
- Monitoring for ongoing compliance

### **Intake and Review of Applications**

To be eligible, the application must meet several requirements as described below. If the application does not meet all the requirements in these three categories, the application will not move forward. Successful applications must include the following:

- AHTF Program Requirements. The AHTF program specifies requirements relating the use of funds, amount of funding per unit, unit rents and other aspects related to the development renting of the units.

- Other Requirements. There are also requirements relating to work standards environmental review, and other concerns.
- Qualifying Criteria. Each project must meet the threshold criteria prior to being considered for funding.

### **Review Proposal for Threshold Criteria**

An application must meet the threshold criteria noted on Page 2 for the review process to move forward. If the project does not meet these criteria, DCA will reject the application and discontinue additional review.

### **Applications Meeting Threshold Requirements Move to Underwriting**

DCA staff will conduct a preliminary underwriting review, assess the Applicant’s capacity and fiscal soundness, and examine neighborhood market conditions to ensure there is an adequate market for the project.

### **Review and Underwriting**

DCA staff will ensure that the project is financially feasible via underwriting standards.

For DCA to effectively underwrite the AHTF projects the Applicant must submit information that enables analysis of the following to be assessed:

- Borrower risk (capacity of Applicant, liquidity, creditworthiness, collateral)
- Project risk (financial feasibility, viability, sustainability)
- Compliance analysis (cost reasonableness and regulatory compliance)
- Located in a strategic neighborhood of “high opportunity”.

### Organizational Capacity Assessment

DCA will assess the capacity of each Applicant to manage funds and housing projects. This assessment will be based on a number of factors including, but not limited to the Applicant’s demonstrated proficiency and ability to quickly and efficiently achieve housing objectives through programs such as CDBG, HOME, NSP and NEP. DCA has sole discretion to determine whether each organization’s experience managing housing projects qualifies them to be awarded AHTF funds.

### Eligible Activity

DCA staff will review applications to determine whether the proposed project is an eligible activity under the AHTF Program. Eligible activities include acquisition and new construction, reconstruction, or renovation of affordable rental and for-sale housing.

### Forms of Assistance

DCA staff will review applications to determine if the form of assistance requested is consistent with program requirements. AHTF funding is being provided as a soft second amortizing loan at 1% with a term equal to the affordability control period. Annual repayment is 50% of cash flow, if available. Unpaid accrued interest will be added to the outstanding principal. All outstanding principal and any accrued interest will be due at the end of the term.

### Eligible Costs

DCA staff will review applications and identify potential eligible costs. Eligible costs include hard costs, soft costs, and developer fees as outlined in the “Eligible Costs” table below. AHTF funds can also be used to cover a lease up reserve, if the reserve meets the requirements listed in the following table. Any costs

proposed in the application that are not eligible under AHTF must be covered by another source.

<b>Eligible Costs</b>	
<p><b>Hard Costs</b></p> <ul style="list-style-type: none"> <li>• Acquisition of land (for a specific project) and existing structures</li> <li>• Site preparations or improvements, including demolition</li> <li>• Securing of buildings</li> <li>• Construction materials and labor</li> <li>• Builder’s overhead, profit and general conditions</li> <li>• Builder’s risk insurance</li> <li>• Permit fees</li> </ul>	<p><b>Requirements for Lease Up Reserves</b></p> <ul style="list-style-type: none"> <li>• This reserve is meant to meet any shortfall in project income during the project rent-up period.</li> <li>• The reserve cannot exceed 3 months.</li> <li>• The reserve can be used only for project operating expenses, scheduled payments to replacement reserves and debt service.</li> </ul>
<p><b>Soft Costs</b></p> <ul style="list-style-type: none"> <li>• Financing fees</li> <li>• Specification writing</li> <li>• Title binders and insurance</li> <li>• Surety fees</li> <li>• Recordation fees and transaction taxes</li> <li>• Legal and accounting fees, &amp; cost certification</li> <li>• Appraisals</li> <li>• Construction period holding costs (insurance, property taxes, utilities, maintenance)</li> <li>• Architectural/engineering fees, including specifications and job progress inspections</li> <li>• Environmental reviews</li> <li>• Builders’ or developers’ fees</li> <li>• Affirmative marketing, initial leasing and marketing costs</li> <li>• Real estate commissions</li> <li>• Lease up reserve</li> </ul>	

**Ineligible Costs**

- Project reserve accounts
- Development, operations or modernization of public housing
- Project or tenant based rental assistance
- Payment of delinquent taxes, fees, fines or charges
- The payment of court ordered judgments or governmentally imposed fines
- Projects that can be funded from other sources

Underwriting/Subsidy Analysis

DCA staff will review the AHTF subsidy layering of the project to ensure that the project is not “over-subsidized”. The project subsidy “gap” will be determined by subtracting other sources of funding from total development cost.

To complete this analysis, DCA staff will follow AHTF Program subsidy guidelines. In most cases, the staff review will consult the Applicant with questions or issues that require further clarification. This does not automatically disqualify the application from further review.

Determining the AHTF subsidy

DCA staff will review the development budget and project sources and determine the maximum eligible total project AHTF subsidy. The maximum award per application is \$6,000,000 for projects utilizing the Municipal Settlement Fund and the Neighborhood Partnerships Fund, and \$2,000,000 for projects utilizing the Innovation Fund.



### Property Standards

Projects being developed with AHTF funds must meet all applicable state and local codes, rehabilitation standards, ordinances, etc. The housing must also meet all the AHTF program specific property standards for Energy Efficiency and Green Building Requirements as applicable.

### Expected Useful Life / Construction Scope

Each building component must have an expected useful life of the applicable affordability period and must, at a minimum, include the following:

- All units must attempt to meet Energy Star
- All units must attempt to meet Green Building requirements
- All units must have Central Air Conditioning
- Toilets must be replaced with low flow 1.28 gallon
- All Appliances must be replaced with Energy Star rated
- All doorknobs must be replaced with lever type and ADA grab bars are to be installed in all bathrooms.
- All projects must secure an architect

### Rents and Occupancy

The AHTF program has rent and occupancy requirements that make the units affordable to a variety of incomes and household sizes. Therefore, all projects must meet the requirements of the Uniform Housing Affordability Controls (UHAC). See link below:

[https://www.nj.gov/dca/divisions/lps/hss/admin\\_files/uhac/uhac.pdf](https://www.nj.gov/dca/divisions/lps/hss/admin_files/uhac/uhac.pdf)

### **Verify Sources of Funding, Duplication of Benefits, and Other State Cross Cutting Regulation**

DCA staff will verify all sources of project funding are committed and any contingencies identified and verify that all Program requirements will be addressed.

### **Conduct Site Visit**

DCA staff will conduct a site visit with a focus on analyzing the immediate project, neighborhood market conditions and support for the development of the proposed units.

### **Neighborhood Preservation Balanced Housing Regulations**

All projects must meet the requirements of the Neighborhood Preservation Balanced Housing Rules N.J.A.C. 5-43-1.1 *et seq.*. See link below:

<https://www.nj.gov/dca/divisions/dhcr/offices/docs/bh/bhrulesfinal121107.pdf>

### **Funding Recommendations**

Once the project has been underwritten DCA staff will make funding recommendations to senior staff. The Commissioner of DCA has the final approval.

However, as noted previously, DCA reserves the right to distribute projects equitably throughout the state.

### **Decision on Project Funding**

It is anticipated that funding decisions will be made within 3 months of application submission. The Applicant will be sent a letter notifying them of that decision.

### **Issue Letter of Conditional Approval**

This letter informs the Applicant that funding has been approved for the project conditionally / contingent upon meeting specific requirements necessary to comply with state and local rules. Typical conditions may include:

- Changes to project design or financing that are required to comply with applicable rules and regulations
- Prohibition against making any other changes to the approved project without the prior approval of the DCA staff
- Summary of other requirements that must be met during construction such as lead-paint safety and other OSHA regulations

### **Execute Funding Agreement with Applicant**

Grant/Loan Agreements will be developed by DCA's staff and executed by all parties. Funding agreements will include all the stipulations contained within the conditional approval letter which shall incorporate all program requirements directly or by reference.

### **Complete Environmental Review Process for Each Project**

DCA will determine the level of environmental review required to be completed by the Applicant, **now Grantee**. The Grantee will submit to DCA the completed review for their approval. If environmental review is satisfactory DCA will schedule a pre-construction conference with the Grantee. If the review is not acceptable to DCA, DCA will outline the deficiencies and allow the Grantee time to correct the review. If there are environmental issues which cannot be successfully addressed, at their sole discretion, DCA may void the Agreement and reallocate the funds.

### **Pre-construction conference**

Before construction starts, DCA staff will conduct a pre-construction conference and require that all parties involved in the construction attend. The meeting will include an orientation to the AHTF requirements

The pre-construction conference, at a minimum, will accomplish the following objectives:

- Communicate the goals of the project to all team members to assure that everyone is clear on his or her role and responsibilities to the project
- Identify deadlines and critical phases of the project
- Review the overall schedule and work plan
- Explain basic operating procedures, including reports, meetings and other ongoing communications required between the members of the construction team
- Discuss all program requirements
- Discuss security and legal documents
- Discuss process for applying for payment

At the successful completion of the preconstruction conference DCA will issue a “Notice to Proceed” to the Grantee.

However, before construction can begin the Grantee must present to DCA, in the form provided by DCA, a list of the contractors for the project. DCA will check all contractors, subcontractors, lower-tier contractors and the EA against the State of New Jersey Consolidated Debarment report, <http://www.state.nj.us/treasury/revenue/debarment/index.shtml>, Prevailing Wage Debarment List, [https://www.nj.gov/labor/wagehour/wagerate/prevailing\\_wage\\_debarment\\_list.html](https://www.nj.gov/labor/wagehour/wagerate/prevailing_wage_debarment_list.html), and the System for Award Management (SAM) <https://www.sam.gov/SAM/> that list debarred, suspended and ineligible contractors. AHTF funds may not be used directly or indirectly to employ, award contracts or otherwise engage the services of any contractor during a period of debarment, suspension or placement of ineligibility status.

### **Execution of Security Documents**

Prior to the disbursement of any AHTF funds, at a minimum, the following documents must be executed, recorded if necessary, and filed with DCA. DCA will provide Grantee with drafts of any required documents:

- Mortgage Note
- Mortgage
- Deed Restriction
- Drawdown Schedule

The Grantee must also provide a Title Insurance Policy, deemed acceptable to DCA, insuring DCA in the amount of the AHTF mortgage. The EA must also submit proof of Property and Liability insurance coverage, naming DCA as additionally insured.

### **Grantee to Submit Draw Requests with Documentation**

As noted previously the Grantee will execute a drawdown schedule outlining predetermined draws. **All payments will be on a reimbursement basis.** The supporting documentation for each draw must match or exceed the amount of each payment being requested. DCA staff and the Grantee will develop a construction draw schedule that establishes the frequency, procedures and documentation required for each draw.

If AHTF funds are requested are for acquisition the following will apply:

#### Appraisal Requirements

The AHTF requires that properties acquired using program funding be purchased at a price that is not more than the current market value as determined by a fee appraisal performed within 90 days of the acquisition date (exceptions to this policy will be granted on case-by-case basis). DCA will require documentation to ensure that this requirement is being met by requiring a copy of the fee appraisal for each property to be acquired using AHTF funds.

### **Managing Construction and Reimbursements**

The Grantee will be responsible for the administration of the construction contract. The Grantee will execute all documents necessary to acquire the property, manage all construction contracts, and ensure that all required permits are obtained. The Grantee along with a licensed NJ Architect will inspect the construction and make decisions on the quality of work and approve all construction payments. All requests for payment from the Grantee for construction must be in the form of an AIA form, notarized,

signed/dated by the contractor and the architect.

### **Change Orders**

The DCA recognizes that changes in a development may occur. DCA does not require submission of change orders if the total contract cost does not exceed the contract amount (including construction contingencies). Should change orders be required that will necessitate additional funding, NO approval is to be given by the Grantee without prior DCA approval. Costs overruns without prior approval may be rejected for payment.

Any change to the original amount of AHTF assistance must be reflected by an Amended AHTF Grant /Loan Agreement. **No payment of AHTF funds will be made on change orders that have not been approved in advance.**

The change order process provides flexibility and allows all parties to respond to unforeseen conditions, and problems that arise. It is also a way to document any revisions to the original project plans and specifications.

### **Conduct On-Site Inspections**

DCA staff or their designee will ensure that on-site monitoring occurs during the construction period. The purpose of monitoring is to keep the project team working toward the final deadline within the budget and in line with the goals of the project.

- Formal monitoring consists of scheduled on-site visits, as well as unscheduled visits to the site, and regular communication with the, Grantee, architect and contractor.

### **Draw Review**

The DCA staff or their designee will review payment requests from the Grantee. All payment requests must be made through the SAGE system. The review process will confirm that the contractor and subcontractors are receiving appropriate payment for completed work and that they are not being overpaid, nor being compensated for unfinished work.

A 10% retainage of the total AHTF award will be held back until at the end of the project and until all required documentation is received and approved by DCA as outlined in the Drawdown Schedule, Grant Agreement and Close out list.

### **Final Inspection and close out requirements**

DCA staff or their designee will conduct a final inspection upon receipt of a notice of substantial completion from the Grantee. Final inspections will be made by state and local health, code and safety inspectors, as applicable. DCA will also provide Grantee with a comprehensive list of all required documentation which must be submitted and approved prior to the release of the final payment and project close out.

### **Occupancy and Leasing of AHTF units**

To complete an AHTF unit, the unit must meet the AHTF objectives. Therefore, the unit must be affordable to and occupied by an income eligible household as defined by UHAC.

### **Marketing**

The essential requirement regarding marketing is demonstrating that properties are marketed openly and fairly among the eligible population of potential occupants and adhering to UHAC requirements.

To ensure access to persons whose first language is not English, all-funded housing shall be marketed in English and Spanish as well as the other applicable foreign languages spoken where the project is located, if applicable.

Applications and Income Certification

All prospective occupants must be approved by the New Jersey Housing and Mortgage Finance Agency Housing Affordability Service (NJHAS) prior to occupancy. Grantee agrees to provide all the necessary documents to NJHAS in order to expedite their review.

**Final Close Out**

Upon receipt and approval of all required close out documents DCA staff will confirm that the project meets all the AHTF program requirements and all required documentation has been received and the project is eligible for the final payment.

**Occupancy and Long-Term Program Monitoring Requirements.**

Upon the release of the final payment and close out of the AHTF project DCA will provide the Grantee with a “Compliance Booklet” outlining the requirements for the continued occupancy of the units and the annual reporting requirements of the AHTF program. These requirements will remain in effect for the full term of the affordability period.

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