

## **COMMUNITY AFFAIRS**

### **NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

#### **Low Income Housing Tax Credit Qualified Allocation Plan**

**Proposed Amendments: N.J.A.C. 5:80-33.2, 33.4 through 33.8, 33.10, 33.12, 33.15, 33.16, 33.17, 33.19, 33.25, 33.28, and 33.32**

**Proposed Repeals and New Rules: N.J.A.C. 5:80-33 Appendices A and B**

Authorized By: New Jersey Housing and Mortgage Finance Agency, Charles A. Richman,  
Executive Director.

Authority: N.J.S.A. 55:14K-5g and 26 U.S.C. § 42(m).

Calendar Reference: See Summary below for explanation of exception to calendar  
requirement.

Proposal Number: PRN 2018-107.

A **public hearing** on this notice of proposal will be held on the following date and time  
at the following location:

Tuesday, December 11, 2018, at 10:00 A.M.

New Jersey Housing and Mortgage Finance Agency

637 South Clinton Avenue

Trenton, New Jersey 08611

Please call the Division of Tax Credit Services at (609) 278-7629 if you wish to be included on the list of speakers.

Submit comments by January 18, 2019, to:

Anne Hamlin

Director of Tax Credit Services

New Jersey Housing and Mortgage Finance Agency

637 South Clinton Avenue

P.O. Box 18550

Trenton, New Jersey 08650-2085

E-mail: [ahamlin@njhmf.gov](mailto:ahamlin@njhmf.gov).

The agency proposal follows:

### **Summary**

The New Jersey Housing and Mortgage Finance Agency (Agency) is the administrator of the Low Income Housing Tax Credit (LIHTC) program for the State of New Jersey. Governed by Section 42 of the Internal Revenue Code of 1986 (Code), 26 U.S.C. § 42, the program establishes a low-income housing tax credit that may be applied against the Federal income tax of persons or associations who have invested in buildings that provide housing for low- and/or moderate-income individuals or families.

As mandated by 26 U.S.C. § 42(m)(1)(B), each state housing credit agency must create a plan, known as the Qualified Allocation Plan (QAP), that sets forth the selection criteria to be

utilized to allocate tax credits to eligible applicants. The rules codified at N.J.A.C. 5:80-33 represent the QAP for the State.

The Agency continually reviews the selection criteria and, from time-to-time, finds that amendments to the rules are necessary or beneficial to ensure consistency with Federal requirements and State housing policy. The proposed amendments, among other things, redefine how municipalities are evaluated for desirability and/or distress through utilization of the Department of Community Affairs' Municipal Revitalization Index, target housing construction in Opportunity Zones, expand available funding for mixed-income developments, and incentivize developers to create better housing for senior residents. The proposed amendments are expected to be effective for calendar years 2019 and 2020. The Agency will receive \$24 million in nine-percent low-income housing tax credits in each of those years and expects to fully allocate the credits in accordance with the QAP, as amended. Broadly speaking, 40 percent of the credits will be allocated to urban municipalities and 60 percent of the credits will be allocated to the remainder of the State.

The proposed amendments are summarized as follows:

#### **N.J.A.C. 5:80-33.2 Definitions**

The Agency proposes to either amend or introduce as new terms, the following:

1. "Area Median Income" would be added as a defined term to clarify that the U.S. Department of Housing and Urban Development (HUD) annually calculates and publishes area median income statistics, by which tenants are evaluated for eligibility to reside in low-income housing tax credit developments.

2. "Average Income set-aside" would be added as a defined term to identify and define a new Federal minimum set-aside election for low-income housing tax credit projects.

3. "Developer fee" or "development fee" would be amended to reduce the permitted non-deferred developer fee for building acquisition costs to a maximum of two percent.

4. "Municipal Revitalization Index" would be added as a defined term to identify the index to be utilized in the point-scoring system and as the basis for selecting Targeted Urban Municipalities.

5. "NJHMFA" would be added to mean the New Jersey Housing and Mortgage Finance Agency. The acronym is used throughout the subchapter, but is not a defined term, as required by the Office of Administrative Law standards.

6. "Public transportation" would be amended to further restrict which transit opportunities would qualify under the scoring and ranking section at N.J.A.C. 5:80-33.14.

7. "Smart growth areas" would be amended to update the website reference for the site evaluator tool.

8. "Social services plan" would be amended to include a recommendation that a social services coordinator be available for 10 hours per week for projects that have set aside five percent of the units for supportive housing units.

9. "Soft costs" would be added as a defined term to identify those costs that are subject to the cap referenced in N.J.A.C. 5:80-33.4, 33.5, 33.6, and 33.7.

10. "Targeted Urban Municipalities" (TUM) would be amended to incorporate the new methodology for selecting municipalities that receive 40 percent of the tax credits in each of the Family, Senior, and Supportive Housing Cycles and add "TUM" as the acronym.

#### **N.J.A.C. 5:80-33.4 Family Cycle**

1. The Agency proposes to amend subsection (a) as follows:

(A) The caps on total-development-costs-per-residential-unit provision would be amended to increase the allowable costs by \$25,000 for each building type in recognition of the rising cost of construction materials and skilled labor.

(B) A cap on soft costs would be added in order to ensure that the majority of costs (at least 70 percent) per unit are allocated toward hard costs (that is, acquisition, construction, and/or rehabilitation costs).

(C) The HOPE VI/Choice Neighborhood set-aside at paragraph (a)1, and reference at paragraph (a)2, would be deleted since there are no longer any HUD funding recipients in the State. The Mixed-Income set-aside, under which the first reservation of the Family Cycle credits would be awarded, is available to a project that is located outside of a TUM and has no more than 55 percent of the units set aside for low- and moderate-income tenants and that has the lowest tie-breaker (that is, the least amount of tax credits per tax-credit bedroom). A threshold number of points is required in order to compete for the set-aside; however, the project must receive the maximum points for site selection, public transportation, and high-performing schools. Credits not awarded under this set-aside would be deposited back into the Family Cycle for award to suburban projects in the general competition.

(D) The Preservation set-aside at paragraph (a)2 would be amended to remove the additional criteria, as this additional criteria has not been utilized in recent years. Otherwise, the Preservation set-aside, under which the second reservation of the Family Cycle credits will be awarded, would remain unchanged.

2. The Agency proposes to amend subsection (c) by including a new restriction on applications submitted by the same developer in the same municipality. This new restriction would prohibit applicants developing phased projects from applying for multiple phases in the same cycle. Each cycle has a limit on the amount of tax credits that can be awarded per project and this proposed amendment would clarify that only one application will be accepted. Additional amendments are proposed for continuity in terminology.

3. The Agency proposes to amend subsection (d) to clarify that credits in the Family Cycle include those awarded under N.J.A.C. 5:80-33.8(a)3.

#### **5:80-33.5(a) Senior Cycle**

1. The Agency proposes to amend subsection (a) as follows:

(A) The caps on total-development-costs-per-residential-unit provision would be amended to increase the allowable costs by \$25,000 for each building type in recognition of the rising cost of construction materials and skilled labor.

(B) A cap on soft costs would be added in order to ensure that the majority of costs (at least 70 percent) per unit are allocated toward hard costs (that is, acquisition, construction, and/or rehabilitation costs).

(C) The HOPE VI/Choice Neighborhood set-aside at paragraph (a)1 would be deleted since there are no longer any HUD funding recipients in the State and would be replaced with the preservation set-aside. Similar to the preservation set-aside in the Family Cycle, the first reservation of the Senior Cycle credits would be awarded to the highest-ranking project that meets the definition of a preservation project.

2. The Agency proposes to amend subsection (c) by including a new restriction on applications submitted by the same developer in the same municipality. This new

restriction would prohibit applicants developing phased projects from applying for multiple phases in the same cycle. Each cycle has a limit on the amount of tax credits that can be awarded per project and this proposed amendment would clarify that only one application will be accepted.

#### **5:80-33.6 Supportive Housing Cycle**

1. The Agency proposes to amend subsection (a) as follows:

(A) The caps on the total-development-costs-per-residential-unit provision would be amended to increase the allowable costs by \$25,000 for each building type in recognition of the rising cost of construction materials and skilled labor.

(B) A cap on soft costs would be added in order to ensure that the majority of costs (at least 70 percent) per unit are allocated toward hard costs (that is, acquisition, construction, and/or rehabilitation costs).

2. The Agency proposes to amend subsection (b) by including a new restriction on applications submitted by the same developer in the same municipality. This new restriction would prohibit applicants developing phased projects from applying for multiple phases in the same cycle. Each cycle has a limit on the amount of tax credits that can be awarded per project and this proposed amendment would clarify that only one application will be accepted.

#### **5:80-33.7 Final Cycle**

The Agency proposes to amend subsection (a) as follows:

1. The caps on the total-development-costs-per-residential-unit provision would be amended to increase the allowable costs by \$25,000 for each building type in recognition of the rising cost of construction materials and skilled labor.

2. A cap on soft costs would be added in order to ensure that the majority of costs (at least 70 percent) per unit are allocated toward hard costs (that is, acquisition, construction, and/or rehabilitation costs).

#### **5:80-33.8 Reserve**

The Agency proposes to amend subsection (a) as follows:

1. For projects requesting credits under the Hardship Reserve, the caps on total-development-costs-per-residential-unit provision would be amended to increase the allowable costs by \$25,000 for each building type in recognition of the rising cost of construction materials and skilled labor.
2. For projects requesting credits under the Hardship Reserve, a cap on soft costs would be added in order to ensure that the majority of costs (at least 70 percent) per unit are allocated toward hard costs (that is, acquisition, construction, and/ or rehabilitation costs).
3. The Mixed-Income Reserve would be amended to expand the funding availability from approximately \$2,000,000 in annual tax credits to 40 percent of the total credits available in the Family Cycle. This expanded funding would only be available for projects located in urban municipalities (TUMs). Under the existing rule at N.J.A.C. 5:80-33.4(d), 40 percent of the credits must be allocated to TUMs; this new Reserve provision would permit priority funding for mixed-income projects up to the full 40-percent limit. Eligible projects must have no more than 55 percent of the units set aside for low- and moderate-income tenants. Projects must be eligible for a threshold number of points and awards are based on the lowest tie-breaker (that is, the least amount of tax credits per tax-credit bedroom). Credits not awarded under



the Reserve would be deposited back into the Family Cycle for award to urban projects in the general competition. For the Mixed-Income Reserve, the Agency also proposes to delete the per-unit limit on total development costs because the cost to construct market-rate units is influenced by achievable rents in the market and funded with outside financing and, therefore, should not be constrained by limitations imposed upon NJHMFA-financed affordable units. Due to the addition of the Mixed-Income set-aside in the Family Cycle at N.J.A.C. 5:80-33.4(a)1, the existing language requiring that the Agency fund projects located both within a TUM and outside of a TUM is no longer necessary and would be deleted. As a result of the proposed expansion of available funding in the Mixed-Income Reserve, applications would no longer be accepted on a rolling basis; thus, it is proposed that the deadline for all applications for all cycles and the Mixed-Income Reserve be the same.

#### **5:80-33.10 Application Fee Schedule**

The Agency proposes to amend subsection (a) to increase the application fee from \$2,500 to \$4,000 in order to defray Agency expenses incurred in reviewing tax credit applications as a result of escalating salary costs, extended review times due to increasingly voluminous application documentation, and increasing third-party review fees. This fee has not been increased since 2003. Additional amendments are made for clarity.

#### **5:80-33.12 Application to a cycle/eligibility requirements**

1. The Agency proposes to amend sub-subparagraph (c)1ii(7) of the market study review requirements to acknowledge the new Average Income Federal set-aside and the higher 80 percent area median income limit for projects that make this election.

2. The Agency proposes to amend subparagraph (c)7i to clarify that all affordable rents will be underwritten at 2.5 percent less than the income designation.
3. The Agency proposes to amend paragraph (c)8 to require the latest Energy Star Program version 3.1, which was adopted by the New Jersey Office of Clean Energy in March 2016. Additionally, this paragraph would require Energy Benchmarking as an eligibility requirement; it is currently a point category at N.J.A.C. 5:80-33.15(a)13. As a result of this proposed change, all tax-credit projects (both four-percent and nine-percent projects) would be required to submit energy/utility consumption data for review, rather than only nine-percent projects, as is the case under the existing rule. The Agency expects that utility consumption information will be more valuable for projects involving the acquisition and rehabilitation of existing housing, which are typically funded with four-percent tax credits, in order to evaluate tenant utility usage before and after energy efficiency upgrades are completed.
4. Updates to the Guide to QAP Green Requirements (N.J.A.C. 5:80-33 Appendix A) and NJHMFA Energy Benchmarking Technical Manual (N.J.A.C. 5:80-33 Appendix B) have been made to reflect the proposed changes to Energy Star and Energy Benchmarking requirements noted above. Additionally, the appendices have been revised to provide updated forms and documentation requirements for 2019 and 2020.

#### **5:80-33.15 Point system for the Family Cycle**

The Agency proposes to amend subsection (a) as follows. As a result of the proposed amendments summarized below, the maximum number of available points in the Family Cycle would be reduced from 95 to 93:

1. In paragraph (a)3, the Agency proposes to eliminate both options ii and iii from the criteria, as these options permit applicants to evade the intent of the rule, which is to provide large-family units (that is, units with three or more bedrooms) in non-age-restricted projects.
2. In paragraph (a)4, the Agency proposes to amend the point system to permit projects that receive a fixed-rate tax abatement of 6.28 percent or less (as opposed to the existing rate of no more than five percent) to receive the maximum five points and to receive three points for a tax-abatement rate greater than 6.28 percent. The 6.28-percent rate is reflective of the average tax-abatement rates in the Agency's portfolio.
3. In paragraph (a)5, the Agency proposes to delete the point category for social services for Senior Cycle projects and the reference to the Services for Independent Living (SIL) program, as they would both be included in a separate section of the QAP.
4. In paragraph (a)9, the Agency proposes to amend the project amenities by increasing the unit square footage requirements to sizes greater than that required by the Agency's Multifamily Underwriting Guidelines and to add two new options: healthy food delivery program and smoke-free community.
5. In paragraph (a)11, the Agency proposes to amend the points for site selection by delineating between certain positive land uses depending on the population (family, senior, or supportive housing) and also by expanding the proximity standard from one-half mile to one mile for the Senior and Supportive Housing Cycles and three miles for the Family Cycle. The Agency also proposes to add two new negative land uses in subparagraph (a)11ii, which would result in a three-point deduction for projects proximate to a jail/prison or to a wastewater treatment facility. These proposed

amendments are expected to support better site selection decisions and efficient land use in areas suitable for growth in order to encourage housing development near amenities and services. Proposed amendments to N.J.A.C. 5:80-33.15(a)11i differentiate among positive land uses depending on the population to be served (that is, family, senior, or supportive housing) and also by relative importance (for example, proximity to a hospital or school is deemed to be more valuable than proximity to a department store). Additionally, the Agency proposes to impose negative points at N.J.A.C. 5:80-33.15(a)11ii(9) for projects located within the same census tract that received a previous nine percent award in the same cycle in order to discourage multiple consecutive awards in the same location in order to prevent the oversaturation of affordable units.

6. The Agency proposes to delete N.J.A.C. 5:80-33.15(a)13i (Energy Benchmarking Initiative), as these eligibility requirements are proposed for inclusion at N.J.A.C. 5:80-33.12(c)8ii.
7. In paragraph (a)14, the Agency proposes an amendment to encourage housing development in urban municipalities in designated Opportunity Zones for two points or, as an alternative, a project located within a redevelopment area, an historic rehabilitation, or an adaptive reuse of a non-residential structure would be eligible for one point. The Agency also proposes an increase from two points to three points for projects located within a high-performing school district in the Family Cycle to reflect the importance of the school system in making residency decisions and the measurable benefits for children in attending school in high-performing districts. The Agency also proposes to delete the current point system for proximity to employment centers and to replace it with DCA's Municipal Revitalization Index, which is a comprehensive index based upon eight social,

economic, physical, and fiscal metrics (including employment) and better evaluates the overall desirability and/or distress of municipalities. The maximum number of attainable points for this point category in the Family Cycle would be increased by two as a result of these proposed changes.

8. In paragraph (a)20, the Agency proposes an amendment to require a proportionate unit mix of one-, two-, and three-bedroom units for projects that set aside five units for homeless individuals and families.
9. At paragraph (a)24, the Agency proposes to delete the existing point system concerning the poverty level in municipalities (a maximum of three points) and replace it with three options for one bonus point. Each option advances a key social policy objective (mixed-income projects, units for very-low-income tenants, and greater utilization of Agency financing products). The maximum number of attainable points for this point category in each cycle would be reduced by two as a result of this proposed amendment.

#### **5:80-33.16 Point system for the Senior Cycle**

The Agency proposes to amend this section as follows. As a result of the changes summarized above and below, the maximum number of attainable points in the Senior Cycle would be reduced from 90 to 87.

1. The point category for 25 percent or less renter-occupied housing would be deleted as this metric is not considered indicative of suitable senior housing locations.
2. A new Age Friendly Senior Housing point category is proposed to incentivize developers to create better housing for seniors, thereby allowing them to age-in-place. This nine point category would essentially replace previous sections concerning proximity to public transportation and providing social services and would instead award points for access to

weekly on-site transportation, participation in the Services for Independent Living (SIL) program, and access to nurses/medical professionals and a social worker and would encourage both socially and physically healthy living habits.

#### **5:80-33.17 Point system for the Supportive Housing Cycle**

The Agency proposes to amend this section as follows. As a result of the changes summarized above and below, the maximum number of attainable points in the Supportive Housing Cycle would be reduced from 101 to 97:

1. Two points would be awarded to projects that offer on-site transportation, rather than be located within one-half mile of public transportation. This proposed amendment acknowledges that many individuals with special needs are unable to travel to reach transportation.
2. As supportive housing projects are targeted for both family and senior populations, the Agency is proposing different criteria depending on whether a project is for families (one point for high-performing schools) or for seniors (one point for 25 percent of the municipality's population being over age 55).
3. The Agency proposes an amendment to require that sponsors have in place, as part of the social services plan, procedures to evaluate whether the services are enhancing tenants' quality of life, plans for mandatory staff training, and healthy lifestyles education and programming (removing the specific GED preparation or local community college).

#### **5:80-33.19 Tiebreaker System**

The Agency proposes to amend this section to adapt the tiebreaker for Mixed-Income Reserve projects (not for the set-asides) as the least amount of tax credits per tax-credit bedroom.

#### **5:80-33.25 Allocation/Issuance Fee Schedule**

The Agency proposes to increase allocation fees for non-NJHMFA-financed nine-percent-tax-credit projects, similar to the existing fee structure for four-percent projects.

#### **5:80-33.28 Project Cost Certification and Contractor Fee Limits**

The Agency proposes to require a separate audit of the general contractor's costs to verify consistency with the developer's project cost certification.

#### **5:80-33.32 Compliance Monitoring**

The Agency proposes to amend this section to acknowledge the new average income Federal set-aside established under The Consolidated Appropriations Act of 2018 as a third election option for tax-credit projects.

This notice of proposal is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.3(a)5 because the Agency is providing a 60-day comment period.

### **Social Impact**

In general, the proposed amendments are expected to: provide housing for the most vulnerable and lowest-income residents; discourage the concentration of poverty in the State; and enhance the quality of life for low- and moderate-income residents.

The proposed inclusion of the "average income set-aside" would permit owners of LIHTC projects to rent to tenants with up to 80 percent of area median income, which mirrors

the HUD definition of moderate income. This would broaden the pool of eligible renters and reach those tenants who have historically been just over the income threshold. However, this new provision would also require that projects offset those higher-income units with additional units for very-low-income tenants (those with 30 percent or 40 percent of area median income), so that the average of all tenant incomes is under 60 percent of area median income. It is anticipated that this will allow projects to reach very-low-income tenants, but also maintain feasible operations even with limited rental income from units rented to those tenants.

The proposed preservation set-aside in the Senior Cycle at N.J.A.C 5:80-33.5(a) would set aside nine percent tax credits for one applicant that proposes the rehabilitation of existing affordable housing. This proposed set-aside recognizes that there is an aging housing stock that may have substandard conditions with no means for capital improvements or that may be at risk of converting to market-rate housing. Senior tenants, in particular, may be less willing or able to move and would benefit greatly from a plan for preservation and rehabilitation of existing housing.

The proposed amendments at N.J.A.C. 5:80-33.8(a) to expand the Mixed-Income Reserve in urban areas and at N.J.A.C. 5:80-33.4(a) to add a mixed-income set-aside in the Family Cycle to encourage projects with a range of incomes are expected to promote a key social policy objective. Mixed-income projects encourage a range of social and economic benefits, such as deconcentrating poverty, destigmatizing the perception of affordable housing, and providing affordable housing opportunities in prime real estate locations that are generally reserved for market-rate housing.

The proposed amendment at N.J.A.C. 5:80-33.12(c)8 to require successful participation in the New Jersey Clean Energy Program's ENERGY STAR Certified Homes Program Version



3.1, as opposed to the existing Version 3.0, is expected to result in energy savings of approximately 15 percent more than required by the International Energy Construction Code (IECC) 2015. ENERGY STAR developed Version 3.1 in order to maintain the 15-percent increase in efficiency over code, which significantly increases the level of energy efficiency. It is anticipated that low-income housing tax credit applicants will not experience great difficulty in complying with ENERGY STAR Version 3.1 standards, both because the ENERGY STAR program allows for tradeoffs among the various design components and because most applicants are familiar with the progression of standards through prior applications for tax-credit or mortgage financing with the Agency. The increased utility cost savings due to Version 3.1 result in lower monthly resident utility bills and increased rental income to project owners. Any increased costs associated with Version 3.1 are generally offset by incentives offered by the Office of Clean Energy.

The proposed amendment at N.J.A.C. 5:80-33.15(a)20, which would require a proportionate unit mix of one-, two-, and three-bedroom units for homeless individuals and families, is intended to meet an unmet need of housing for homeless families. Typically the units that have been set aside have been all one-bedroom units, which are not available for families with children.

Proposed new N.J.A.C. 5:80-33.16(b)2 is intended to enhance the quality of life for seniors and allow them to age in place in rent-restricted housing, rather than move unnecessarily to cost-prohibitive assisted living and/or nursing home facilities. These new provisions are proposed as a response to feedback from current tenants who say that they feel socially isolated and, of particular importance, have no means of transportation. The proposed new paragraph is

also expected to encourage owners to provide access to health providers and promote opportunities for healthy living for senior citizens.

The proposed amendment at N.J.A.C. 5:80-33.17(a)2 is expected to encourage supportive housing projects with both family and senior residents. Recently, a new housing model that combines senior tenants and supportive-housing populations, such as individuals with developmental disabilities, has proven to be extremely successful. The quality of life for all residents can be positively impacted based upon the social benefits of this integrated housing setting. The existing QAP does not acknowledge this and incentivizes only supportive housing projects with family populations. This proposed new provision would provide different one-point incentives depending on the population and would mirror the requirements in the Family (high-performing schools) and Senior (municipal population over age 55) Cycles.

The proposed amendments at N.J.A.C. 5:80-33.17(b)2 are intended to improve the quality of life for the residents in supportive housing projects by requiring that social services be provided and also requiring that evaluation measures be in place to assess outcomes and respond to residents' needs. Additionally, the social services plan would require that owners provide annual staff training on matters specific to the special needs population, such as reasonable accommodations or modifications that may be requested.

### **Economic Impact**

In general, the proposed amendments are expected to more equitably distribute limited affordable housing resources – and corresponding economic investment and job creation – across

the State and to increase affordable housing in higher opportunity areas of the State, where such opportunities have typically been scarce.

The proposed amendment of the definition of "developer fee" or "development fee" at N.J.A.C. 5:80-33.2 would reduce the permitted cash developer fee for building acquisition costs to two percent, thereby increasing the funds available to a project for rehabilitation. Any excess developer fee over two percent would be deferred and paid as cash flow through project operations.

The proposed amendments at N.J.A.C. 5:80-33.4(c), 33.5(c), and 33.6(c), which would disallow multiple applications or phases of the same project from applying in the same cycle, are intended to more equitably distribute the limited amount of tax credits that New Jersey receives across the State. This would prevent applicants from circumventing the limit on tax credits per project and allow more projects to be funded in more locations. Similarly, the provision for negative points for a previous nine-percent award proposed at N.J.A.C. 5:80-33.15(a)11iii is intended to prevent multiple consecutive awards in the same location. This provision is expected to help deter any potential oversaturation of affordable units, deconcentrate poverty, and more equitably distribute tax credits across the State.

The proposed new point category at N.J.A.C. 5:80-33.15(a)14, which would encourage housing creation within Qualified Opportunity Zones as designated by the Secretary of the U.S. Department of the Treasury pursuant to Code § 1400Z-2, is intended to capitalize upon future economic growth and investment in low-income areas, while also providing economic and employment opportunities for residents. New Jersey Qualified Opportunity Zones are located in 75 municipalities, representing every county of the State.

The proposed amendment at N.J.A.C. 5:80-33.28 to require a separate audit of general contractors is intended to provide additional verification and confirmation as to the reasonableness of costs, which would be in addition to the current practice of requiring the owner to commission a project cost certification; both audits would be reviewed for consistency. The general contractor audit is recommended by the National Council of State Housing Agencies (NCSHA) as additional due diligence to ensure that only the amount of tax credits needed for financial feasibility is allocated to a project, thus ensuring the maximum efficient use of the State's tax credits.

### **Federal Standards Statement**

The proposed amendments do not contain any standards or requirements that exceed the standards or requirements imposed by 26 U.S.C. § 42, the Federal regulations which govern the Low Income Housing Tax Credit program.

### **Jobs Impact**

The proposed amendments are expected to create or, at a minimum, maintain jobs in the construction and related industries, including, but not limited to, property management, landscaping, and material supply, by providing funds to facilitate the construction and rehabilitation of affordable housing units. No jobs are expected to be lost as a result of the proposed amendments.

### **Agriculture Industry Impact**

The proposed amendments are not expected to have any impact on the agriculture industry in the State.

### **Regulatory Flexibility Statement**

The proposed amendments would apply primarily to project developers and the managing agents of such projects, most of which are small businesses as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. Reporting, recordkeeping, and compliance requirements are discussed in the Summary above.

The Agency does not anticipate that there will be any adverse economic impact on small businesses of different types and different sizes as a result of the proposed amendments. The Code mandates certain minimum requirements for low-income housing-tax-credit-financed projects, from which no deviations are permitted. Further, the Agency has a statutory obligation to “[s]timulate the construction, rehabilitation and improvement of *adequate and affordable* housing in the State.” N.J.S.A. 55:14K-2e(2) (emphasis added). Therefore, the Agency deems it prudent to require that all applicants, awardees, managing agents, and related parties and individuals be held to the same standards, including, without limitation, the same compliance and reporting requirements and timetables, without exemption or exception; where extraordinary circumstances are present, the Agency’s waiver provisions may be availed of.

## **Housing Affordability Impact Analysis**

The LIHTC program promotes the construction and rehabilitation, and, therefore, preserves and augments the supply, of affordable housing in the State. Each year, the Agency funds approximately 1,000 units of newly-constructed or significantly-rehabilitated rental housing (which is predominantly, but not exclusively, multifamily housing) pursuant to the QAP. The Agency expects to fund a similar number of affordable rental units pursuant to the QAP in foreseeable years. Units financed under the tax credit program serve residents earning no more than 80 percent of gross area median income. Thus, the proposed amendments are expected to positively impact approximately 1,000 units of housing in the State serving low- and moderate-income tenants.

## **Smart Growth Development Impact Analysis**

The QAP will continue to incentivize housing development in smart growth areas with a two-point category for projects in locations that meet the definition of “Ready to Grow,” defined as an area that has the capacity for growth and has received recognition from the State of this capacity, either through a planning process or through documentation that adequate water supply and wastewater infrastructure are available to serve the project. The proposed amendments are expected to further encourage better site selection decisions and efficient land use in areas suitable for growth through modifications at N.J.A.C. 5:80-33.15(a)1 in order to steer housing development near amenities and services. It is also proposed to have varying positive land uses

depending on the population (family, senior, or supportive housing) and also to differentiate between positive land uses by relative importance. For example, proximity to a hospital or school is deemed to be more valuable than proximity to a department store. Additionally, the inclusion of points for Opportunity Zones in urban locations at N.J.A.C. 5:80-33.15(a)14 is intended to coordinate economic growth and business investment in targeted locations.

### **Racial and Ethnic Community Criminal Justice and Public Safety Impact**

The Agency has evaluated the proposed rulemaking and determined that it will not have an impact on pretrial detention, sentencing, probation, or parole policies concerning juveniles and adults in the State. Accordingly, no further analysis is required.

**Full text** of the rules proposed for repeal may be found in the New Jersey Administrative Code at N.J.A.C. 5:80-33 Appendices A and B.

**Full text** of the proposed new rules and amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

## **SUBCHAPTER 33. LOW INCOME HOUSING TAX CREDIT QUALIFIED ALLOCATION PLAN**

### **5:80-33.2 Definitions**

The following words and terms, as used in this subchapter, shall have the following meanings, unless the context clearly indicates otherwise.

**“Area median income” or “AMI” means the midpoint of a region’s income distribution, that is, one-half of the families in a region earn more than the area median income and one-half of the families earn less than the area median income. The area median income is calculated by the U.S. Department of Housing and Urban Development (HUD) for every metropolitan region in the country.**

...

**“Average income set-aside” means an election made by a taxpayer on IRS Form 8609 that requires the income designations of at least 40 percent of the units in a housing project average 60 percent or less of area median income (AMI). For underwriting purposes, the average of all income designations of tax-credit-eligible tenants shall not exceed 57.5 percent of AMI. Designated income/rent levels for tax-credit units may only be set at 10-percent increments ranging from 20 percent of AMI, up to 80 percent of AMI, and may not be amended without NJHMFA approval. All Federal minimum set-aside elections are irrevocable.**

...



“Developer fee” or "development fee" means the fee that covers the overhead and profit of the developer. Certain fees are subsumed within the developer fee—such as acquisition fees, compensation to the general partner, financial consultants, employees of the developer, construction managers/monitors, clerk of the works, and syndicator-required consultants. Professional fees not paid out of the developer fee are the fees for the architect, engineer, lawyer, accountant, surveyor, appraiser, soil investigator, professional planner, historical consultant, and environmental consultant. (If there are costs listed under the professional planner, the executed contract shall be submitted. Only those costs determined by NJHMFA to be for planning purposes shall be shown as a separate line item.) All other consultant and professional fees shall be included in the developer fee and are not allowed to be shown as separate line items on the tax credit application; otherwise, those fees shown separately will be added to the developer fee line item.

The developer fee contained in the application shall be the maximum fee (dollar amount) recognized by NJHMFA at the time of cost certification so long as the project scope remains the same.

Any fee paid to the developer in excess of the developer fee, such as an acquisition fee, incentive developer fee, or other pseudonym, shall be treated as a funding source and may not be recognized as a use of funds.

To the extent there is a reasonable expectation of repayment (as evidenced by available cash flow and/or confirmation by the applicant’s syndicator/investor or tax

attorney), the amount of developer fee allowed for eligible rehabilitation or new construction costs is limited to 15.00 percent of total development cost excluding acquisition (that is, land and building) cost, working capital, marketing expenses, escrows, operating deficit reserves, step-in-the-shoes costs, and costs associated with syndication. However, a developer fee of up to 20.00 percent of total development cost excluding acquisition (that is, land and building) cost, working capital, marketing expenses, escrows, operating deficit reserves, step-in-the-shoes costs, and costs associated with syndication is allowed for the following types of housing:

- i. Scattered site single-family detached or duplex housing;
- ii. Projects of 25 units or less; or
- iii. Supportive Housing Cycle projects

The non-deferred portion of the developer fee shall not exceed 8.00 percent (13.00 percent for the three types of housing referenced at i, ii, and iii above) of total development cost excluding acquisition cost, working capital, marketing expenses, escrows, operating deficit reserves, step-in-the-shoes costs, and costs associated with syndication.

A developer fee of up to 4.00 percent shall be permitted for building acquisition costs, **but the non-deferred portion shall not exceed 2.00 percent.** The cost of acquiring a building shall not be allowed in the calculation of the developer fee if the acquisition is between related parties. A related party, as used in this definition, means a relationship between parties when there is a spousal or family relationship, parent-subsidary

relationship, or where owners, officers, directors, partners, stockholders, or members of one business entity hold a [10] **10.00** percent or more interest in the other business entity.

...

**“Municipal Revitalization Index” or “MRI” means the index by which New Jersey’s municipalities are ranked according to eight separate indicators that measure diverse aspects of social, economic, physical, and fiscal conditions. Each municipality in the State receives a composite score and ranking, ranging from the most distressed (ranking number 1) to the least distressed (ranking number 565). The MRI is available at <https://www.nj.gov/dca/home/MuniRevitIndex.html>.**

**“Public transportation” means any mode of transit available to the general public with fixed fares and daily scheduled service with no seasonal interruption. At a minimum, public transportation shall operate Monday through Friday and provide regularly scheduled service during commuter hours (defined as 6:30 A.M. to 9:30 A.M. and 3:00 P.M. to 6:00 P.M. daily).**

...

**“Smart growth areas” means areas that promote growth in compact forms and protect the character of existing stable communities. A compact form of development combines an efficient use of land, natural resources, and public services. An area shall be considered to be a smart**

growth area if it is within Planning Area 1, Planning Area 2, or within a Designated Center on the State Plan Policy Map. In the Pinelands Area, an area shall be considered to be a smart growth area if it is within a Regional Growth Area, a Pinelands Village, or a Pinelands Town.

For more information on whether a project is located within a smart growth area, visit the site evaluator website at [[www.evaluator.nj.gov](http://www.evaluator.nj.gov)]

[https://njgin.state.nj.us/OIT\\_BusinessMap2/index.html](https://njgin.state.nj.us/OIT_BusinessMap2/index.html) or contact NJHMFA.

...

“Social services plan” means a description of the scope of social and support services to be provided for supportive housing projects, including a staffing plan and how the services will be delivered and funded. The services must be affordable and appropriate to the target population to the satisfaction of NJHMFA, available and accessible to the project's tenants, and the social service provider must have the capacity to perform such services. The social services plan must address the target population's(s') support service needs and may include a range of services across a wide continuum of care and intensity appropriate to the target population(s). Appropriate and needed services must be supported by evidence-based practice, research, and/or direct practice experience. Each special needs tenant does not have to utilize all of the services provided by the project; however, the services must be available. The social services plan shall address, but is not limited to, the following items:

1. Hiring a social service coordinator. If a social service coordinator is being provided through a third party, then a signed agreement between the two parties is required, and the coordinator must be dedicated to the tax credit project for a reasonable amount of hours based on the number of supportive housing units in the project (generally 20 hours a week). For projects that have set aside five percent of the units for supportive housing units, a minimum of five hours per week is required **(at least 10 hours per week is recommended)**;

2. – 5. (No change.)

Social service coordinator, case manager and linkages coordinator/provider are not counted as separate and distinct services. NJHMFA shall view these services as all being part of the same service.

**“Soft costs” means total development costs, excluding acquisition costs, construction costs, rehabilitation costs, contractor overhead and profit, the fee for general conditions, and hard cost contingency (at application stage only).**

...

[“Targeted Urban Municipalities” means those [Urban Aid Municipalities designated pursuant to N.J.S.A. 52:27D-178 plus Atlantic City, with a poverty rate greater than 8.1 percent.]

**“Targeted Urban Municipalities” or “TUMs” means those urban municipalities ranked and designated by the following factors: Department of Community Affairs (DCA) Municipal Revitalization Index, housing density, population, and employment-to-housing ratio. NJHMFA shall publish annually a list of municipalities that are designated as TUMs.**

...

#### 5:80-33.4 Family Cycle

(a) Non-age restricted developments may apply to this cycle. Not less than 50 percent of the total credits awarded in the Family, Senior, and Supportive Housing Cycles will be available in the Family Cycle, and the maximum annual allocation of credits to any **one** development[s] competing in this cycle is \$1,750,000. Total development costs shall not exceed [\$250,000] **\$275,000** per unit for buildings of one to four residential stories, [\$275,000] **\$300,000** per unit for buildings with five or six residential stories, and [\$300,000] **\$325,000** per unit for buildings with over six residential stories, excluding capitalized permanent reserves, non-basis-eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any. **Soft costs shall not exceed 30 percent of total development costs.** If multiple tranches of this cycle are awarded, all set-asides for this cycle will be applicable to each tranche. Minimum rehab projects are not eligible to apply in this cycle. Unless market area demographics and/or financial feasibility demonstrate otherwise, all non-age-restricted projects (except

minimum rehabilitation, preservation, and historic rehabilitation projects) must adhere to the following minimum bedroom distributions: the combined number of efficiency and one-bedroom tax credit units shall be no greater than 20.00 percent of the tax credit units; at least 30.00 percent of the tax credit units shall be two-bedroom units; and at least 20.00 percent of the tax credit units shall be three-bedroom units. There are two set-asides in the Family Cycle:

[1. HOPE VI/Choice Neighborhood set-aside: The first reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a HOPE VI or Choice Neighborhood project with a majority of its units located within a Qualified Census Tract. If, because of lack of demand, this set-aside is not utilized, the credits shall be released into the Family Cycle for use by other eligible applications after satisfaction of any other set-aside, as applicable.]

**1. Mixed Income set-aside: The first reservation of credits from the Family Cycle shall be awarded to one project that contains up to 55 percent affordable units and is located outside of a Targeted Urban Municipality. Up to \$30,000 in credits per tax-credit-eligible unit are available and the maximum annual allocation of credits is \$1,750,000. The limits on total development costs and soft costs do not apply to this set-aside. The project's market study as provided for at N.J.A.C. 5:80-33.12(c)1ii shall clearly demonstrate that the tax credit units in the project provide a minimum 20-percent market advantage compared to comparable market-rate units. The project shall achieve a minimum of 65 percent of the maximum score under the ranking criteria established at N.J.A.C. 5:80-33.15, but must be eligible for the maximum**

points stipulated at N.J.A.C. 5:80-33.15(a)11i regarding site selection; N.J.A.C. 5:80-33.15(a)14ii, regarding proximity to public transportation; and N.J.A.C. 5:80-33.15(a)14iii, regarding high-performing schools. Should multiple projects be deemed eligible at the same Tax Credit Committee meeting, credits shall be awarded in accordance with the tiebreaker at N.J.A.C. 5:80-33.19(a)1ii. If, because of lack of demand, the mixed-income set-aside is not utilized, the credits therein shall be released into the Family Cycle.

2. Preservation set-aside: The second reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a preservation **set-aside** project [that meets all of the following criteria: project-based rental assistance expires/lapses earlier than the mortgage is paid off; project-based rental assistance subsidizes at least 50.00 percent of the total units; and the project has achieved a Real Estate Assessment Center (REAC) score of 60 or higher (if applicable) for the preceding three years or if the project's REAC score is below 60, the general partner/managing member of the proposed rehabilitation project shall not be a related party to the current ownership entity. Should no such projects apply, then the second reservation of credits from the Family Cycle shall be given to the highest-ranking eligible application from a preservation project]. The maximum annual allocation of credits to developments competing in this set-aside is \$1,250,000. [HOPE VI/Choice Neighborhood projects do not qualify for this set-aside.] If, because of lack of demand, the preservation set-aside is not utilized, the credits in the preservation set-aside shall be released into the Family Cycle [for use by other eligible applications after satisfaction of any other set-aside, as applicable].



(b) (No change.)

(c) Reservations shall first be awarded to the highest-ranking eligible projects qualifying for the [aforementioned prioritized] **mixed-income and preservation** set-asides. Thereafter, reservations shall be awarded to the highest-ranking eligible projects **under the scoring and ranking criteria at N.J.A.C. 5:80-33.15**. To ensure equitable distribution if there are both excess demand and multiple ranking eligible applications from a single municipality, NJHMFA shall fund no more than two projects per year from the same municipality with a population of less than 100,000 and no more than three projects per year from the same municipality with a population of 100,000 or more based on the most recent American Community Survey Table DP05 (ACS Demographic and Housing Estimates), U.S. Department of the Census (however, projects funded through the Supportive Housing Cycle will not be included in this count). To ensure equitable distribution if there are both excess demand and multiple ranking eligible applications from a single developer, NJHMFA shall fund no more than three projects per year from the same developer/general partner/managing member. Funding of projects shall be prioritized in the following manner: the highest ranking eligible project(s) in the Family Cycle, the Senior Cycle, and lastly, the Final Cycle. **NJHMFA will accept only one application per developer/general partner/managing member per municipality in the Family Cycle.** Projects that received an award of credits in a previous year that are now re-competing shall not be included in the totals for purposes of the **municipal** equitable distribution provision described herein.

(d) Approximately 40, but not less than 35, percent of the credits in this cycle (inclusive of all set-asides **and all credits awarded under the Mixed-Income Reserve established at N.J.A.C. 5:80-33.8(a)3**) shall be made available to Targeted Urban Municipalities and the remaining credits shall be allocated to the remainder of the State, provided NJHMFA receives a sufficient number of eligible applications from areas outside of Targeted Urban Municipalities to result in these allocation percentages. The credits allocated toward Targeted Urban Municipalities could exceed 40 percent if necessary to fully fund a project.

#### 5:80-33.5 Senior Cycle

(a) Senior projects may apply to this cycle. Not less than 20 percent of the total credits awarded in the Family, Senior, and Supportive Housing Cycles will be available in the Senior Cycle, and the maximum annual allocation of credits to **any one** development[s] competing in this cycle is \$1,400,000. Total development costs shall not exceed [\$250,000] **\$275,000** per unit for buildings of one to four residential stories, [\$275,000] **\$300,000** per unit for buildings with five or six residential stories, and [\$300,000] **\$325,000** per unit for buildings with over six residential stories, excluding capitalized permanent reserves, non-basis eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any. **Soft costs shall not exceed 30 percent of total development costs.** If multiple tranches of this cycle are awarded, all set-asides for this cycle will be applicable to each tranche. Minimum rehab projects are not eligible to apply in this cycle. Unless market area demographics demonstrate otherwise, one-bedroom units should comprise at least 85 percent of the project.

There is one set-aside in the Senior Cycle[:], **the preservation set-aside**. **The first reservation of credits from the Senior Cycle shall be given to the highest-ranking eligible application from a preservation set-aside project. The maximum annual allocation of credits to developments competing in this set-aside is \$1,000,000.** [1. HOPE VI/Choice Neighborhood set-aside: The first reservation of credits from the Senior Cycle shall be given to the highest-ranking eligible application from a HOPE VI or Choice Neighborhood project with a majority of its units located within a Qualified Census Tract.] If, because of lack of demand, [this] **the preservation** set-aside is not utilized, the credits shall be released into the Senior Cycle [for use by other eligible applications].

(b) (No change.)

(c) Reservations shall first be awarded to the highest-ranking eligible project qualifying for the [aforementioned prioritized] **preservation** set-aside. Thereafter, reservations shall be awarded to the highest-ranking eligible projects **under the scoring and ranking criteria at N.J.A.C. 5:80-33.16**. To ensure equitable distribution if there are both excess demand and multiple ranking eligible applications from a single municipality, NJHMFA shall fund no more than two projects per year from the same municipality with a population of less than 100,000 and no more than three projects per year from the same municipality with a population of 100,000 or more based on the most recent American Community Survey Table DP05 (ACS Demographic and Housing Estimates), U.S. Department of the Census (however, projects funded through the Supportive Housing Cycle will not be included in this count). To ensure equitable distribution if there are both excess demand and multiple ranking eligible applications from a single developer,

NJHMFA shall fund no more than three projects per year from the same developer/general partner/managing member. Funding of projects shall be prioritized in the following manner: the highest ranking eligible project(s) in the Family Cycle, the Senior Cycle, and lastly, the Final Cycle. **NJHMFA will accept only one application per developer/general partner/managing member per municipality in the Senior Cycle.** Projects that received an award of credits in a previous year that are now re-competing shall not be included in the totals for purposes of the **municipal** equitable distribution provision described herein.

(d) (No change.)

#### 5:80-33.6 Supportive Housing Cycle

(a) Supportive housing projects in which a minimum of 25.00 percent of the total project units are rented to individuals with special needs may apply to the Supportive Housing Cycle. [There must be an] **An** executed agreement between the proposed owner entity and [a supportive services provider that will submit] a social services plan consistent with requirements of this subsection for the Supportive Housing Cycle and approved by NJHMFA **shall be submitted in the application.** There will be not less than 12.5 percent of the total credits awarded in the Family, Senior, and Supportive Housing Cycles available in the Supportive Housing Cycle and the maximum annual allocation of credits to [projects] **any one development** competing in this cycle is \$1,400,000. Total development costs shall not exceed [\$250,000] **\$275,000** per unit for buildings of one to four residential stories, [\$275,000] **\$300,000** per unit for buildings with five or six residential stories, and [\$300,000] **\$325,000** per unit for buildings with over six residential

stories, excluding capitalized permanent reserves, non-basis-eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any. **Soft costs shall not exceed 30 percent of total development costs.**

(b) Reservations shall be awarded to the highest-ranking eligible projects. To ensure equitable distribution if there are both excess demand and multiple ranking eligible applications from a single developer, NJHFMA shall fund no more than three projects per year from the same developer/general partner/managing member. **NJHMFA will accept only one application per developer/general partner/managing member per municipality in the Supportive Housing Cycle.**

(c) – (d) (No change.)

#### 5:80-33.7 Final Cycle

(a) All projects, including minimum rehab projects, may apply to this cycle. All credits not utilized under N.J.A.C. 5:80-33.4 through 33.6 and 33.8 (if any) shall be made available in the Final Cycle and the maximum annual allocation of credits to [projects] **any one development** competing in this cycle is \$1,750,000. Total development costs shall not exceed [\$250,000] **\$275,000** per unit for buildings of one to four residential stories, [\$275,000] **\$300,000** per unit for buildings with five or six residential stories, and [\$300,000] **\$325,000** per unit for buildings with over six residential stories, excluding capitalized permanent reserves,

non-basis eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any. **Soft costs shall not exceed 30 percent of total development costs.** Unless market area demographics and/or financial feasibility demonstrate otherwise, all non-age-restricted projects (except minimum rehabilitation, preservation, and historic rehabilitation projects) must adhere to the following minimum bedroom distributions: the combined number of efficiency and one-bedroom tax credit units shall be no greater than 20.00 percent of the tax credit units; at least 30.00 percent of the tax credit units shall be two-bedroom units; and at least 20.00 percent of the tax credit units shall be three-bedroom units.

(b) – (c) (No change.)

#### 5:80-33.8 Reserve

(a) Projects that need credits because of technical errors or severe hardship can submit a reapplication for credits from the Reserve. The Reserve may also be used to fund supplemental awards or for unforeseen circumstances beyond the developer's control where NJHMFA determines that a project's financial feasibility is jeopardized. Any credits not dedicated to the Family, Senior, Supportive Housing, and Final Cycles shall be deposited into the Reserve. Awards of credits from the Reserve are subject to availability and to NJHMFA's evaluation of the request.

1. (No change.)

2. Hardship requests for additional credits from the Reserve are limited to \$100,000 per project. Total development costs shall not exceed [\$250,000] **\$275,000** per unit for buildings of one to four residential stories, [\$275,000] **\$300,000** per unit for buildings with five or six residential stories, and [\$300,000] **\$325,000** per unit for buildings with over six residential stories, excluding capitalized permanent reserves, non-basis eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any. **Soft costs shall not exceed 30 percent of total development costs.** Hardship requests must be documented to the satisfaction of NJHMFA and must demonstrate the existence of an unforeseen emergency situation where the completion of the project is jeopardized without an award of additional low-income housing tax credits. No more than one hardship award shall be approved with respect to a given project. Hardship applications to the Reserve are accepted on an ongoing basis until May 15. To apply to the Reserve for a hardship reservation of additional credit, applicants must follow the procedures at N.J.A.C. 5:80-33.13(a)1.

3. Approximately [\$2,000,000 in] **40 percent of the credits in the Family Cycle** shall be set aside for eligible family projects **located within a Targeted Urban Municipality** with up to a 55 percent affordability component. **Mixed-Income Reserve projects are eligible for up to \$30,000 in credits per tax-credit-eligible unit and the maximum annual allocation of credits for all projects is \$2,000,000.** The project's market study at N.J.A.C. 5:80-33.12(c)1ii shall clearly demonstrate that the tax credit units provide a minimum 20

percent market advantage compared to comparable market rate units. [Total development costs shall not exceed \$250,000 per unit for buildings of one to four residential stories, \$275,000 per unit for buildings with five or six residential stories, and \$300,000 per unit for buildings with over six residential stories, excluding capitalized permanent reserves, non-basis eligible off-site improvements, up to \$10,000 per unit and \$400,000 maximum for community center or social service space (subject to third-party cost certification), and required deferred developer fee, if any.] Projects shall achieve a minimum of 65 percent of the maximum score under the ranking criteria established under N.J.A.C. 5:80-33.15. Should multiple projects be deemed eligible at the same Tax Credit Committee meeting, credits shall be awarded in accordance with the tiebreaker at N.J.A.C. 5:80-33.19(a)1ii[; however, NJHMFA shall fund at least one project in a Targeted Urban Municipality and one project not in a Targeted Urban Municipality, provided NJHMFA receives eligible applications from both areas. Mixed income applications to the Reserve are accepted until two months prior to the anticipated date that credits for the Family Cycle at N.J.A.C. 5:80-33.4 are to be awarded]. Credits not awarded under this paragraph shall be deposited for use in the Family Cycle at N.J.A.C. 5:80-33.4.

4. (No change.)

#### 5:80-33.10 Application fee schedule

(a) The following fees shall be submitted at the time the application or reapplication is submitted:



1. An application fee of [\$2,500] **\$4,000** shall be paid by applicants for projects applying to the Family, Senior, or Supportive Housing Cycle[, and any] **and to the Mixed-Income Reserve, by** first-time [applications] **applicants** to the Final Cycle, [as well as] **and by applicants** for projects applying for volume cap tax credits.

2. A reapplication fee of \$100.00 **shall be paid** for projects requesting credits from the **Hardship** Reserve and for projects that applied to the Family, Senior, or Supportive Housing Cycle, which did not receive a reservation of credits and wish to reapply in the Final Cycle of the same allocation year. Projects that are in essence new projects (for example, changes in the project composition, sites, or owner or developer entities) shall submit a new application fee.

(b) (No change.)

#### 5:80-33.12 Application to a cycle/eligibility requirements

(a) – (b) (No change.)

(c) Applications shall meet all of the eligibility requirements listed in this section by the application deadline in order to be admitted into a cycle. NJHMFA reserves the right to contact the applicant if the need arises.

1. Applications shall include the information set forth in (c)1i, either (c)1ii or (c)1iii, and (c)1iv below in order to demonstrate the need and demand for the proposed project in a market area. If NJHMFA determines an insufficient market need or demand exists, the project shall be deemed ineligible.

i. (No change.)

ii. A market study, certified to both the applicant and NJHMFA in the analyst's Certification, shall be submitted for all projects. Two copies of the report shall be submitted. The market study shall be no more than six months old. Projects applying for additional credits (either from the Reserve or a competitive cycle) that have already received a previous allocation of tax credits shall not be required to submit a new market study. The analyst shall state in the certification that all market study requirements have been fully addressed. If any relevant information cannot be obtained, the analyst shall explain why the information cannot be obtained. The study shall also identify any assumptions, estimates, projections, and models used in the analysis. The assumptions used in the market study (for example, project rents, unit mix, amenities, etc.) must precisely reflect the information provided in the tax credit application. The data and analysis shall clearly indicate enough demand in the market to support the proposed development. Any additional information appropriate to the market area and the project shall be submitted to demonstrate the demand for the proposed housing project. The report shall include, at a minimum:

(1) – (6) (No change.)

(7) The capture rate, absorption period, and the impact the proposed rental housing may have on existing inventory. The capture rate is the number of units in the project divided by the net demand for the project, where the net demand is the number of households [which] **that** are income eligible and can afford to pay the rent minus the number of comparable affordable units in the market area. For purposes of the market study, the maximum annual household income for the tax credit units shall be equal to 50, [or] 60, **or 80** percent of the area median income (depending on whether the applicant chooses the 20 percent at 50 percent, [or] 40 percent at 60 percent, **or average income** Federal set-aside) of a household. The maximum income limit shall be based on an average household size of 1.5 persons per bedroom for the largest tax credit unit. For single room occupancy projects, assume one person per unit. Maximum income limits for all proposed senior projects shall be limited to a two-person household. The minimum annual household income for the tax credit units shall be equal to the lowest tax credit gross rent multiplied by 30 (which assumes that potential households may spend up to 40 percent of their income on housing expenses on a monthly basis). The absorption period is a forecast of the number of months that will elapse from the completion of construction to stabilization (93 percent occupancy) of the project as a whole, taking into consideration a reasonable vacancy rate.

Sample calculations of capture rate and absorption period shall be shown in the report, and NJHMFA shall be able to reconstruct the estimates using the data and methods in the market study. When additional analysis is appropriate, methods shall consider demographic trends, age of householders, the size of renter households, the unit mix of the project, the amount of home ownership in the target population, the cost of home ownership in the market area, approved projects not yet placed in service, and any other significant factors. The impact of the subject project on existing housing in the market area shall also be addressed;

(8) – (11) (No change.)

iii. – iv. (No change.)

2. – 6. (No change.)

7. In accordance with the Code, NJHMFA shall examine the reasonableness of the operational costs of the project. Applicants shall demonstrate that their project is financially feasible and viable as a qualified low-income housing project throughout the tax credit compliance period.

i. Projects shall be underwritten to demonstrate project feasibility at a household median income percentage that is 2.5 percent below the [set-aside]

**income designation** selected. For example, if the [20 percent at] 50 percent [Federal set-aside] **AMI income designation** is selected, [the project] **those units** shall be underwritten with rents affordable to tenants at or below 47.5 percent of the area median income adjusted for family size.

ii. – v. (No change.)

8. Successful participation in the New Jersey Clean Energy Program’s (NJCEP) NJ Energy Star Certified Homes Program Version [3.0 (Tier 2)] **3.1**, Energy Star Multifamily High Rise Program, or [equivalent] **alternative** per the Guide to [NJHMFA ENERGY STAR Equivalency] **QAP Green** Requirements (Guide), incorporated herein by reference as [the] subchapter Appendix **A**, **and in the NJHMFA Energy Benchmarking Initiative** shall be required for all applications.

i. All applicants shall comply with the requirements of the Guide. Applications shall include a copy of a signed contract between the applicant and a Home Energy Rating System (HERS) rater and a signed letter of intent provided by NJHMFA, which states that the applicant has read the Guide and will comply with all requirements thereof. At the time a project places in service, owners shall submit to NJHMFA the Certificates issued by the NJCEP (or equivalent) for each dwelling unit/building, as applicable, in the project.

**ii. In order to satisfy the Energy Benchmarking Initiative requirements in (c)8 above, the application shall include a copy of the completed and signed letter of intent from the developer to NJHMFA. Prior to issuance of the IRS Form 8609, the developer/owner shall submit the forms in (c)8ii(1) through (3) below, which can be found at <https://www.njhousing.gov/dca/hmfa/developers/credits/green/>:**

**(1) A completed NJHMFA New Jersey Green Homes Office Building Owner Utility Release Form for all common area meters (gas; oil; electric; cogeneration);**

**(2) A completed NJHMFA New Jersey Green Homes Office Energy Benchmarking Survey Form, which includes building data consisting of the name, age, address, number of floors, inclusion of elevators, square footage, number of buildings, whether the building(s) are master- or individually-metered, a description of any previously completed energy-efficiency work, and utility account information; and**

**(3) Completed NJHMFA New Jersey Green Homes Office Tenant Utility Release Forms and/or evidence that requests for such forms were made from at least 50 percent of tenants occupying the project at the time of the IRS Form 8609 issuance for new construction or at least 30 percent of each unit type for rehabilitation projects. The applicant shall**

also be required to include the tenant utility release form as a part of the lease agreement. For new construction projects, the applicant shall ensure that at least 50 percent of the tenants have active utility release forms (or shall provide documentation of the efforts to obtain such forms) and common area utility data shall be reported for the first three years of occupancy. For rehabilitation projects, the applicant shall provide utility data for one year prior to commencement of renovation work and for two years post-construction for all common areas and at least 30 percent of each unit type. Common area and tenant utility data shall be uploaded into the EPA Portfolio Manager at [www.energystar.gov/benchmark](http://www.energystar.gov/benchmark) per the procedures outlined in the NJHMFA Energy Benchmarking Technical Manual, incorporated herein by reference as subchapter Appendix B. Utility data shall be submitted by January 31 for each year.

9. – 18. (No change.)

5:80-33.15 Point system for the Family Cycle

(a) The point system for the Family Cycle shall be as follows:

1. – 2. (No change.)

[3. Applicants may select one of the following options for five points:]

[i.] **3.** Low-density buildings where at least 25 percent of the tax-credit units are large-family units **shall be eligible for five points.** Points are based on the percentage of large family units with respect to the total number of tax-credit units, not on square footage[; or].

[ii. Projects located within a transit oriented development where at least five percent of the tax credit units are large family units.

iii. A weighted average of the units shall be used to calculate points for multi-building projects where not all of the buildings qualify under (a)3i or ii above.]

4. Applicants may receive up to five points for municipal support.

i. Projects that receive a fixed-rate tax abatement for a 15-year term with a rate of [no more than five] **6.28** percent **or less** (inclusive of all fees) on the residential component shall receive five points. Projects [that receive a fixed rate tax abatement for a 15-year term with a rate greater than five percent but equal to or less than 10 percent (inclusive of all fees) on the residential component shall receive four points or projects] that receive a fixed-rate tax abatement for a 15-year term with a rate on the residential component of more than [10] **6.28** percent shall receive three points. If the specifics of the tax abatement (for example, percentage of rent roll, term) are



not recited in the resolution/ordinance, the financial agreement to the tax abatement shall be included with the application. Proof of an applicant's tax-exempt nonprofit status is not sufficient to qualify for points for tax abatement. In order to receive points under this category, the resolution/ordinance approving the abatement shall be submitted and must cite the proper statutory authority. For projects receiving tax abatement under the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., the first stage of the exemption period shall be for no less than 15 years. Only projects utilizing financing from NJHMFA may be granted abatement under N.J.S.A. 55:14K-37(b). For information regarding NJHMFA financing, please contact the NJHMFA Division of Multifamily Programs and Credit at (609) 278-7400.

ii. (No change.)

5. Because the availability of social services greatly improves the quality of life for residents, NJHMFA awards up to six points for the provision of up to three social services for the compliance period. Two points will be awarded per service offered. [For projects in the Senior Cycle, participation in the Services for Independent Living (SIL) Program qualifies for the maximum points.] The services shall be affordable, appropriate, available, and accessible to the project's tenants. Services provided free of charge to all residents/seniors of a county/municipality based solely on residency status shall not qualify for points in this category. Applicants shall support their claim to provide social services by providing the following:

i. – iii. (No change.)

6. – 8. (No change.)

9. NJHMFA awards points for the provision of project amenities, up to a maximum of four points. Two points will be awarded per amenity provided. The costs of the amenities must be shown in the capital and/or operating budgets, as appropriate. Amenities must be appropriate to the proposed tenant population. Applicants may select any combination of the following amenities in order to receive the maximum four points. The list provided below is not all-inclusive. Substitution of amenities is only permitted with prior approval from NJHMFA. It is incumbent upon the applicant to demonstrate how each substitute amenity provides a comparable benefit to the tenants as those amenities listed below.

i. – iv. (No change.)

v. Average interior unit sizes of [500] **550** square feet for efficiencies, 650 square feet for one bedroom, 875 square feet for two bedrooms, [1,100] **1,150** square feet for three bedrooms, and [1,200] **1,250** square feet for four bedrooms; [and]

vi. 1.0 parking spaces per unit (may be off-street: garage, parking lot, pad, or driveway, or on-street: designated/permit)[.];

**vii. Healthy food delivery program (at least twice a month); and**

**viii. Smoke-free community.**

10. (No change.)

11. Applications may receive up to a maximum of six points for the following (to be eligible for points in this category, proximity to the locations in (a)11i(1) through [(15)] **(19)** below shall be addressed in the market analysis as required at N.J.A.C. 5:80-33.12(c)1). At a minimum, structures must have building permits issued and be under construction to qualify:

i. [Unless otherwise] **As** indicated, projects located within one-half mile of the positive land uses in (a)11i(1) through [(15)] **(8)** below [or, with respect to (a)11i(16) and (17) below only, inclusion within the defined categories,] shall receive two points. **Projects located within one mile of the positive land uses at (a)11i(1) through (19) below shall be awarded one point.** Multiple points shall not be awarded for proximity to multiple positive land uses of the same category (that is, a project located within one-half mile of two supermarkets will receive two points, not four points):

(1) Full-service grocery store or supermarket (minimum 15,000 square feet) – **two points**;

[(2) Pharmacy;

(3) Department or retail merchandise store;

(4) Bank/credit union;

(5) Restaurant, exclusive of fast-food restaurants;

(6) Indoor public recreation facilities, such as civic centers, community centers, and libraries;

(7) Outdoor public recreation facilities, such as parks and swimming pools;]

[(8)] **(2)** Hospital/medical clinic – **two points**;

[(9) Medical offices (physician, dentistry, optometry);]

[(10)] **(3)** Public schools (non-senior projects only) – **two points**;

[(11)] **(4) Senior center (senior projects only) – two points;**

[(12) Religious institution – eligible for only one point;]

[(13)] **(5) Licensed day care services (non-senior projects only) – two points;**

[(14) Post office, city hall, county courthouse;

(15) Fire/police station;

(16) Location within a brownfield site; and

(17) A redevelopment project.]

**(6) Family success center (non-senior projects only) – two points;**

**(7) One-stop career center (non-senior projects only) – two points;**

**(8) Community mental health center/counseling center  
(Supportive Housing Cycle only) – two points;**

**(9) Pharmacy – one point;**

**(10) Department or retail merchandise store – one point;**

**(11) Bank/credit union – one point;**

**(12) Restaurant (other than fast food restaurants) – one point;**

**(13) Indoor public recreation facilities, such as civic centers, community centers, and libraries – one point;**

**(14) Outdoor public recreation facilities, such as parks and swimming pools – one point;**

**(15) Medical day care (senior projects only) – one point;**

**(16) Medical offices (physician, dentistry, optometry) – one point;**

**(17) Religious institution – one point;**

**(18) Post office, city hall, county courthouse – one point; and**

**(19) Fire/police station – one point.**

ii. Projects located within one mile of the following negative land uses **(1) through (8) below or within the same census tract for (9) below** shall have three points deducted from the project score:

(1) – (5) (No change.)

(6) Unremediated Superfund or toxic waste site as identified by the Environmental Protection Agency (EPA) or the New Jersey Department of Environmental Protection (DEP)[.];

**(7) Jail/prison;**

**(8) Wastewater treatment facility; and**

**(9) Nine-percent tax credit award(s) in the same census tract in the same cycle in the previous round.**

iii. (No change.)

12. (No change.)

13. Applications may receive up to a maximum of [six] **four** points for the following:

[i. Participants in the New Jersey Housing and Mortgage Finance Agency's Energy Benchmarking Initiative shall receive two points. In order to qualify for these points, the application shall include a copy of the completed and signed letter of intent from the developer to NJHMFA. Prior to issuance of the IRS Form 8609, the developer/owner shall submit the forms in (a)13i(1) through (3) below. The applicant shall also be required to include the tenant utility release form as a part of the lease agreement. For the next three years, the applicant shall ensure that at least 75 percent of the tenants have active utility release forms (or provide documentation of the efforts to obtain such forms) and common area utility data shall be reported. Common area utility data shall be uploaded into the EPA Portfolio Manager ([www.energystar.gov/benchmark](http://www.energystar.gov/benchmark)) per the procedures outlined in the NJHMFA Energy Benchmarking Technical Manual, incorporated herein by reference as subchapter Appendix B. Utility data shall be submitted by January 31 for the first three years.

(1) A completed NJHMFA New Jersey Green Homes Office Building Owner Utility Release Form for all common area meters (gas, oil, electric, cogeneration);



(2) A completed NJHMFA New Jersey Green Homes Office Energy Benchmarking Survey Form, which includes building data consisting of the name, age, address, number of floors, inclusion of elevators, square footage, number of buildings, whether building(s) are master- or individually-metered, a description of any previously completed energy-efficiency work, and utility account information; and

(3) Completed NJHMFA New Jersey Green Homes Office Tenant Utility Release Forms and/or evidence that requests for such forms were made from at least 75 percent of tenants occupying the project at the time of the IRS Form 8609 issuance.]

Recodify existing ii. – iii. as **i. – ii.** (No change in text.)

14. Applicants may select any of the following options. A maximum of [six] **eight** points shall be available in this category:

i. [Rehabilitation] **For projects located within a Targeted Urban Municipality, a maximum of two points shall be awarded to eligible projects in this category. Two points shall be awarded to projects located within a census tract that has been designated by the Secretary of the U.S. Department of the Treasury as a Qualified Opportunity Zone under Code § 1400Z-2 and further identified in Notice 2018-48.**

**Alternatively, redevelopment projects, rehabilitation** of historic buildings, or projects that involve the adaptive re-use of a non-residential building shall qualify for **only** one point. A significant component of the development (40 percent or more of the units) shall be located within a historic building or a building being adaptively re-used;

ii. (No change.)

iii. A project that is fully located within a school district wherein 40 percent or more of the students are either meeting expectations (Level 4) or exceeding expectations (Level 5) on the Grade 4 Partnership for Assessment of Readiness for College and Careers (PARCC) assessment in both math and language arts based on data available from the New Jersey Department of Education as of the application deadline shall receive [two] **three** points. NJHMFA shall rely upon the data effective in the calendar year of the application deadline as well as the preceding year. **For example, the data released in calendar years 2017 and 2018 by the New Jersey Department of Education will be accepted for applications submitted in 2019;** and

[iv. A project that is fully located within a municipality with public and private sector jobs that total at least 95 percent of the housing units shall receive two points. To confirm that a project satisfies this point category, NJHMFA shall use the annual average of total public and private sector jobs

(including suppressed data) from the New Jersey Department of Labor and Workforce Development Quarterly Census of Employment and Wages, Municipal Annual Reports, and the number of housing units according to the five-year American Community Survey, Table B25001, U.S. Department of the Census as of the application deadline. NJHMF shall rely upon the data effective in the calendar year of the application deadline as well as the preceding year]

**iv. For projects located outside of a Targeted Urban Municipality, a project that has a ranking of 283 or greater in the most recent Municipal Revitalization Index (MRI) published by the Department of Community Affairs (DCA) shall be eligible for three points. A project with a ranking of 282 or below shall be eligible for two points.**

v. (No change.)

15. – 19. (No change.)

20. Applicants may select one of the following:

i. Projects that rent five units or five percent of the total project units, whichever is greater, to individuals or families who are homeless and meet the criteria of N.J.A.C. 5:80-33.12(c)14 shall receive three points. **In the**

**Family Cycle, a proportionate unit mix is required (at a minimum, two two-bedroom units and two three-bedroom units shall be provided).**

ii. (No change.)

21. – 23. (No change.)

[24. Three points shall be awarded to projects located within municipalities not defined as a TUM with 6.00 percent poverty or less. Two points shall be awarded to projects located within municipalities not defined as a TUM with 6.01 percent to 10.7 percent poverty. One point shall be awarded to projects located within municipalities not defined as a TUM with greater than 10.7 percent poverty. Two points shall be awarded to projects located within municipalities defined as a TUM with 17.00 percent poverty or less. One point shall be awarded to projects located within municipalities defined as a TUM with greater than 17.00 percent poverty. NJHMFA shall rely upon the American Community Survey Five-Year Estimates, Table S1701 (Poverty Status in the Past 12 Months), U.S. Department of the Census. NJHMFA shall rely upon the data effective in the calendar year of the application deadline, as well as in the preceding year.]

**24. Applicants may select one of the options in (a)24i, ii, or iii below for one bonus point:**

**i. At least twenty percent of the units are set aside for unrestricted, market-rate tenants. Applicants that select this option are not eligible for the discretionary 130-percent basis boost, which is authorized under the Housing and Economic Recovery Act of 2008 (HERA).**

**ii. At least twenty percent of the units are underwritten at or below 30 percent of area median income (AMI). Units with rental assistance do not qualify for this point.**

**iii. Traditional multifamily pooled permanent bond financing through NJHMFA.**

#### 5:80-33.16 Point system for the Senior Cycle

**(a)** The point system for the Senior Cycle includes all point categories of the Family Cycle except the point categories at N.J.A.C. 5:80-33.15(a)3 concerning large family units, **N.J.A.C. 5:80-33.15(a)5 concerning social services**, and the point [category] **categories** at N.J.A.C. 5:80-33.15(a)[14v]**14ii, iii, and v concerning public transportation, high-performing school districts, and** municipal fair share development plans, **respectively**. [Additionally, the point category at N.J.A.C. 5:80-33.15(a)14iii concerning proficient schools is replaced with the following:]

**(b) The Senior Cycle also includes the following point categories:**

[“iii.]**1.** A project that is fully located within a municipality wherein 25.00 percent or [less of the occupied housing units are renter-occupied housing units and 25.00 percent or] more of the **residents in the** municipality [is] **are** 55 years of age or older shall receive [two points] **one point**. NJHMFA shall rely upon the American Community Survey Five-Year Estimates, [Table S2502 (Demographic Characteristics for Occupied Housing Units) and] Table DP05 (ACS Demographic and Housing Estimates), U.S. Department of the Census. NJHMFA shall rely upon the data effective in the calendar year of the application deadline as well as in the preceding year.[”]

**2. Applicants may select any of the following options for a maximum of nine points:**

**i. Three points shall be awarded to projects that offer on-site transportation at least once a week. Evidence of existing service and/or an executed contract stipulating fees and frequency of service shall be submitted in the application.**

**ii. Three points shall be awarded to projects that participate in the Services for Independent Living (SIL) program.**

**iii. Two points shall be awarded to projects that offer a licensed and insured on-site health provider with a private room.**

**iv. Two points shall be awarded to projects that offer an on-site pharmacy or wellness clinic, satellite hospital office, Program of All-Inclusive Care for the Elderly (PACE), medical day-care program, licensed assisted living facility, or similar partnership with a hospital or managed care organization.**

**v. One point shall be awarded to projects that offer accessible outdoor spaces (for example, walkways, benches, gardens).**

**vi. One point shall be awarded to projects that offer an exercise room.**

#### 5:80-33.17 Point system for the Supportive Housing Cycle

(a) The point system for the Supportive Housing Cycle includes all point categories of the Family Cycle except for the point categories at N.J.A.C. 5:80-33.15(a)3, concerning large family units, N.J.A.C. 5:80-33.15(a)5, concerning social services, [N.J.A.C. 5:80-33.15(a)14v, concerning municipal fair share development plans] and N.J.A.C. 5:80-33.15(a)20, concerning supportive housing units. **Additionally, the point categories at N.J.A.C. 5:80-33.15(a)14ii and iii are replaced, respectively, with the following:**

**1. Two points shall be awarded to projects that offer on-site transportation at least once a week. Evidence of existing service and/or an executed contract stipulating fees and frequency of service shall be submitted in the application.**

**2. For non-age-restricted projects, a project that is fully located within a school district wherein 40 percent or more of the students are either meeting expectations (Level 4) or exceeding expectations (Level 5) on the Grade 4 Partnership for Assessment of Readiness for College and Careers (PARCC) assessment in both math and language arts based on data available from the New Jersey Department of Education as of the application deadline shall receive one point. NJHMFA shall rely upon the data effective in the calendar year of the application deadline, as well as in the preceding year. For example, the data released in calendar years 2017 and 2018 by the New Jersey Department of Education will be accepted for applications submitted in 2019. For age-restricted projects, a project that is fully located within a municipality wherein 25.00 percent or more of the residents in the municipality are 55 years of age or older shall receive one point. NJHMFA shall rely upon the American Community Survey Five-Year Estimates, Table DP05 (ACS Demographic and Housing Estimates), U.S. Department of the Census. NJHMFA shall rely upon the data effective in the calendar year of the application deadline, as well as in the preceding year. For example, the data released in calendar years 2017 and 2018 by the U.S. Department of the Census will be accepted for applications submitted in 2019.**



(b) The Supportive Housing Cycle also includes the following point categories:

1. Applicants shall be awarded up to five points to the extent the social services plan required at N.J.A.C. 5:80-33.12(c)14iv incorporates [the following:

i. A] a description of the target population's(s') supportive service needs, which may include a range of services across a wide continuum of care and intensity appropriate to the target population(s). The description must acknowledge that each special needs tenant does not have to utilize the services appropriate to the target population(s). The social services plan must address the specific appropriate and needed services to assist tenants to maintain their housing and stable community living at no cost to the tenant. Appropriate and needed services must be supported by supportive service agreements and evidence-based practice, research and/or direct practice experience. Supportive housing projects must have, at a minimum, a social service coordinator. The supportive services plan must address the following:

[(1)] **i.** (No change in text.)

[(2)] **ii.** A description of the proposed services that will benefit the targeted population, including location of services (that is, on-site or in the community), [and] documentation to support how these services will be funded, **and how measures to evaluate service outcomes will be addressed (such as quality of life and consumer satisfaction);**

[(3)] **iii.** A description of how the service provider will facilitate tenant/landlord relationships, including detailed eligibility and ineligibility criteria for tenant selection and screening (that is, what disqualifies a prospective tenant), as well as a plan for problem resolution to minimize evictions for supportive housing tenants; [and]

[(4)] **iv.** Provision of at least one of the following services:

Recodify existing (A) and (B) as **(1) and (2)** (No change in text.)

[(C)] **(3)** Linkage and ongoing follow-up services to health care, including dental care, and physical health care and primary health care prevention services[.]; **and**

**v. Mandatory staff training for all on-site personnel at least annually on matters specific to the special needs population.**

2. Up to two points will be awarded as follows: one point will be awarded to applicants that will provide on-site [or off-site] **healthy lifestyles** education[, such as GED preparation or local community college] **and programming** for tenants of the supportive housing units; and one point will be awarded to applicants that will provide job training and job search assistance and support to tenants of the supportive housing

units. Applicants shall provide evidence of funding commitments and signed agreements with qualified service providers specifically identifying a detailed scope of services to be provided and term for the provision of these services. The identified education and/or employment service provider must have experience providing services to the target population.

3. – 7. (No change.)

#### 5:80-33.19 Tiebreaker system

(a) The following tiebreaker system shall be used to break ties between projects with the same score:

1. If competing projects have a tie score, a tax credit reservation shall be awarded based on the following:

i. (No change.)

ii. In all other cycles and [set-asides] **the Mixed-Income Reserve**, a tax credit reservation shall be awarded to the project with the least amount of tax credits per tax-credit bedroom.

iii. (No change.)

2. (No change.)

5:80-33.25 Allocation/issuance fee schedule

Projects requesting an allocation of tax credits shall pay a fee equaling two percent of the allocation amount over the 10-year credit period **for NJHMFA-financed projects and three percent of the issuance amount over the 10-year credit period for non-NJHMFA-financed projects.** One-half of the fee shall be paid at the time the allocation criteria described above at N.J.A.C 5:80-33.24(a) is submitted to NJHMFA. For projects requesting an issuance of tax credits from volume cap, the issuance fee shall equal two percent of the issuance amount over the 10-year credit period for NJHMFA financed projects and three percent of the issuance amount over the 10-year credit period for non-NJHMFA financed projects. One-half of the fee shall be paid at the time the credit determination described at N.J.A.C. 5:80-33.9(a)1 is made. For both types of project, the balance (adjusted higher if volume cap tax credit issuance increases) shall be paid prior to issuance of the IRS Form 8609. Allocation/issuance fees are non-refundable.

5:80-33.28 Project cost certification and contractor fee limits

(a) An independent C.P.A. shall audit the development costs of the project in accordance with generally accepted auditing standards. **A separate audit of the general contractor's costs, which includes a sampling of subcontractor invoices, shall also be submitted in order to**

**verify consistency with the developer's cost certification.** To make sure that the necessary paperwork is submitted to NJHMFA in a timely manner, owners shall ensure that the cost certification process begins immediately upon construction completion. NJHMFA reserves the right to require a compilation of the construction costs of the project as approved by an independent C.P.A.

(b) – (d) (No change.)

#### **5:80-33.32 Compliance monitoring**

(a) – (e) (No change.)

(f) The owner/agent of a low-income housing project shall certify, under penalty of perjury, that it has complied with the low-income housing tax credit restrictions of the Code, the Qualified Allocation Plan, and the project's tax credit application by providing an Owner's Certificate of Continuing Program Compliance to NJHMFA. The Owner's Certificate of Continuing Program Compliance shall be sent annually to NJHMFA for each year of the compliance period for the preceding 12-month period and contain the following:

1. That the project met the requirements of the 20-50 test under Code Section 42(g)(1)(A), [or] the 40-60 test under Section 42(g)(1)(B), **or the Average Income test established under the Consolidated Appropriations Act of 2018**, whichever Federal minimum set-aside test was applicable to the project, and, if applicable to the project, the

40-50 HOME test under Section 42(i)(2)(E)(i) and the 15-40 test under Sections 42(g)(4) and 142(d)(4)(B) for "deep rent skewed" projects;

2. – 16. (No change.)

(g) As required by the Housing and Economic Recovery Act of 2008, 110 P.L. 289 (HR 3221) [(HERA)], owners are required to submit, on an annual basis, data pertaining to the residents of low-income housing tax credit (LIHTC)-funded units. Such data must contain, but is not limited to, income, rental assistance, disability status, monthly rental payment, race, ethnicity, family composition, and age.

...



## Guide to QAP Green Requirements

New Jersey Housing and Mortgage Finance Agency

## 2019 LIHTC Green Requirements and Documentation

These requirements can also be found at <http://www.state.nj.us/dca/hmfa/developers/credits/green/>

### FOR MORE INFORMATION & TO APPLY:

Pam DeLosSantos, AIA, LEED AP

NJ Housing and Mortgage Finance Agency

Technical Services – Assistant Director of Technical Services

[delossantos@njhmfa.gov](mailto:delossantos@njhmfa.gov)

Phone: 609.278.7627

#### For U.S. Post Office:

P.O. Box 18550

Trenton, NJ 08650-2085

#### For Fed Ex, UPS, Visitors, etc.:

637 S. Clinton Ave.

Trenton, NJ 08611

### Green Guide

Page 2	<b><u>Required:</u></b> All tax credit projects (4% and 9%) to be <b>Energy Star Certified</b> and how to achieve, per project type.
Page 3	NJ Office of Clean Energy decision trees and website links
Page 4	Energy Star-Alternative paths for rehab projects
Page 5	ASHRAE Level 2 Requirements
Page 6	Energy Star LETTER OF INTENT
Pages 7-12	<b><u>Required:</u></b> of all tax credit projects (4% & 9%) to do <b>Energy Benchmarking</b> .
Page 8	Energy Benchmarking LETTER OF INTENT

#### **9% Green point options:**

Pages 13	3 and 4-Point Green Options Fact Sheet
Pages 14-16	Required Documents for Each Option Page
Page 17	2019 9% Green Point LETTER OF INTENT

REQUIRED: FOR BOTH 4% & 9% TAX CREDIT PROJECTS – ENERGY STAR CERTIFICATION

How to achieve FOR NEW CONSTRUCTION AND GUT REHAB:

Low Rise Construction:

Energy Star Version 3.1

High Rise Construction:

Energy Star's Multifamily High Rise program (MFHR) or P4P New Construction (for buildings 7 stories and higher).

\*\*\*See Page 3 decision trees to determine whether or not your project is High Rise or Low Rise\*\*\*

- Required Documents:

- At Application:

- Signed Letter of Intent provided by NJHMFA (See Page 6)
    - Signed copy of contract between the applicant and an Energy Consultant (Home Energy Rating System or HERs rater).
    - Signed Energy Star Partnership Agreement

- Prior to Construction (at Commitment for Agency Construction-financed projects):

- Signed *Builders Upgrade Package*, also known as, the *Preliminary Energy Analysis*, highlighting the specific energy efficiency criteria, projected HERs rating(s), and stating that the project is on track to meet Energy Star Certification.

- Post Construction (for 8609 package):

- Energy Star Homes Certificates, showing HERs rating of each unit, issued by NJ Clean Energy Program (NJ CEP) participating HERs rater or MFHR Certificate(s) issued by the EPA, for each MFHR building.

FOR MODERATE AND SUBSTANTIAL REHAB PROJECTS THAT DO NOT QUALIFY FOR ENERGY STAR OR MFHR:

Low Rise Construction:

Home Performance with Energy Star, if applicable. Please note: HPwES requires attic air sealing and a major insulation upgrade. **OR**

ASHRAE Level 2 Energy Audit w/targeted 15% Savings

**Energy Star  
Alternative Paths**

*Follow the decision  
trees for guidance.  
Your Energy  
Consultant will help  
guide you.*

High Rise Construction:

Pay for Performance (if applicable) **OR**

ASHRAE Level 2 Energy Audit w/targeted 15% Savings

Required Documents: See individual charts on **Page 4**



## EPA ENERGY STAR Residential Multifamily New Construction Programs

### What qualifies as "Residential"?

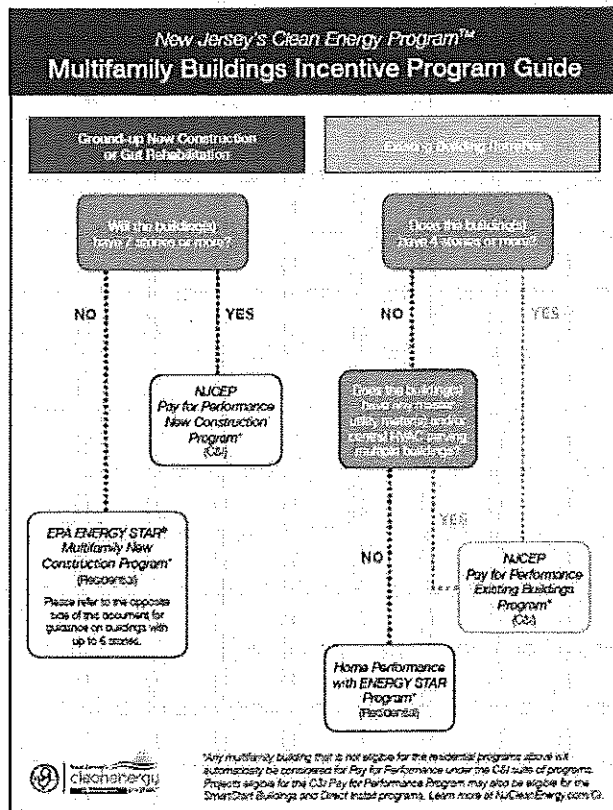
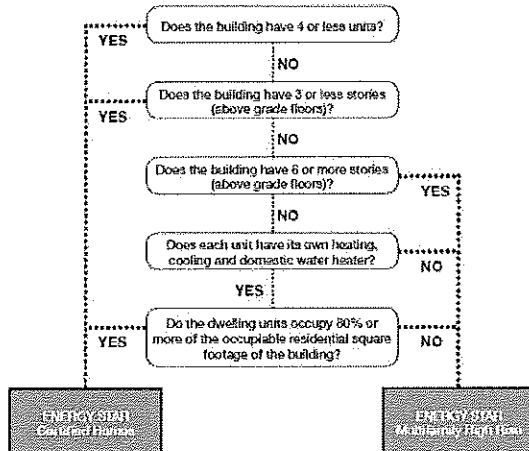
The primary use of the building must be for residential purposes, i.e., the residential and residential associated common areas must occupy more than 50% of the building's occupiable square footage. This includes space used by residents, such as corridors, stairs, lobbies, laundry rooms, exercise rooms, and residential recreation rooms. This area includes space used by building management, administration or maintenance and all special use areas located in the building to serve and support the residents such as day-care facilities, gyms, dining halls, etc. It does not include garage spaces.

### What qualifies as New Construction?

New Construction projects can include significant gut rehabilitation, when defined as a change of use, reconstruction of a vacant structure, or when construction work requires that the building be out of service for at least 90 consecutive days. The primary use of the building must be for residential purposes, i.e., the residential and residential associated common areas must occupy more than 50% of the building's occupiable square footage. For mixed-use buildings, determine the residential use area when determining the square footage of the building.

New construction of motels/hotels, nursing homes, assisted living facilities or dormitories, are considered commercial facilities and do not qualify under the Residential Multifamily New Construction program. Learn more about the ENERGY STAR new construction program for commercial buildings at: [www.energystar.gov/Commercial](http://www.energystar.gov/Commercial). For more information about ENERGY STAR in existing commercial buildings visit the ENERGY STAR Buildings and Plants page at [www.energystar.gov/buildings](http://www.energystar.gov/buildings).

If your multifamily building qualifies as both New Construction and Residential, the following decision tree can help you determine which ENERGY STAR program is right for you.



NJ CLEAN ENERGY MULTIFAMILY DECISION TREES (above)

To view the above decision trees in their actual location, please visit the New Jersey Office of Clean Energy website: <http://www.njcleanenergy.com/files/file/Residential%20Programs/NJ%20ENERGY%20STAR%20Homes/FY2015/MultifamilyBuildingsDecisionTree040715.pdf>

Link to Approved Energy Consultants:

<http://www.njcleanenergy.com/residential/programs/nj-energy-star-homes/rating-companies>

For more information on Energy Star, MFHR and all other programs, please visit the New Jersey Office of Clean Energy at: <http://www.njcleanenergy.com/>

P4P Approved Partners:

<http://www.njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings/approved-partners>

Home Performance with Energy Star (HPwES) eligible measures:

<http://www.njcleanenergy.com/files/file/Residential%20Programs/HP/FY2018/2018%20FY%20NJ%20HPwES%20Eligible%20Measures%20and%20Cust%20Eligibility%20final.pdf>

HPwES approved contractors:

<http://www.njcleanenergy.com/residential/programs/home-performance-energy-star/home-performance-energy-star-r>

## **Energy Star Alternative Compliance Paths for Rehab Projects**

***choose the one that fits your project***

### ***Path 1: ASHRAE Level 2 Energy Audit w/targeted 15% energy savings (see page 5 for measures to evaluate)***

Application	1.)NJHMFA signed Letter of Intent 2.)Signed agreement with Energy Consultant
Prior to Construction	1.)Property Needs Assessment detailing recommended upgrade items, modeled energy savings and cost/payback.
Post Construction	1.)Measurement ,Verification documentation with photographic images

### ***Path 2: Home Performance with Energy Star (NJHPwES) Tier 2***

Application	1.)NJHMFA signed Letter of Intent 2.)Signed agreement/contract with BPI (Building Performance Institute) Goldstar NJ Clean Energy Program participating contractor
Prior to Construction	1.)Copy of email from NJCEP Program Manager approving energy modeling, indicating projected Total Energy Savings (TES) and incentive level. This email is issued by the NJCEP Program Manager after reviewing the proposed measures and sample energy modeling) 2.)NJ HPwES Work Scope Approval Letter (this letter is issued by the NJCEP Program Manager for each building within the project as submitted. This letter commits the incentive funding for the project and expires in 120 days.
Post Construction	1.)Certificate of Completion signed by owner and contractor 2.)NJ HPwES Work Scope Completion Letter issued by NJCEP Program Manager for each building within the project as completed and submitted.

<http://www.njcleanenergy.com/residential/programs/home-performance-energy-star/home-performance-energy-star-r>

### ***Path 3: Pay for Performance (P4P) Existing Buildings***

Application	1.)NJHMFA signed Letter of Intent 2.)Signed agreement with P4P Program Partner 3.) Copy of P4P Initial Application Approval Letter (received from NJCEP Program Manager)
Prior to Construction	1.)Copy of Notice to Proceed from P4P Program Manager 2.)Copy of approved Energy Reduction Plan 3.)Copy of approval for First Incentive
Post Construction	1.)Copy of Substantial Completion Report 2.)Copy of approval of Second Incentive 3.)Copy of Benchmarking Report – when available, usually around 15 months from installation approval date. This report is not necessary for the 8609 and is for informational purposes only.

<http://www.njcleanenergy.com/commercial-industrial/programs/pay-performance/existing-buildings>

## ASHRAE Level 2: Measures that Must Be Evaluated:

All items relevant to the project must be evaluated and noted. This list will assure a basic level of analysis to every project. All items must be approved by HMFA and the Energy Consultant.

Measures That Must Be Evaluated	
Envelope	Air Sealing (including weather stripping)
	Insulation - Roof Deck or Attic
HVAC	Windows - High Efficiency Windows and/or Storm Windows (when single-pane windows are present)
	Electric to Gas Conversion - Heating System
	Electric to Gas Conversion - DHW System
	Boiler - Replace Steam with Hydronic
	Boiler - Install High Efficiency Boilers (ENERGY STAR where available)
	Boiler - Separate DHW Direct-fired Boiler (condensing if gas)
	Furnace - Install High Efficiency (ENERGY STAR where available)
	Controls - Outdoor Reset Controls for Boilers
	Controls - Roof Fan Timers (new timers only; per code requirements)
	Controls - Thermostatic Radiator Valves
	Distribution - Insulate All Hot Surfaces (condensate tank, steam & HW piping)
Lighting	Common Area - LED Exit Signs
	Common Area - ENERGY STAR CFL Hardwired or Linear Fluorescent Fixtures (including fixtures operating for 24 hours/day)
	Common Area - Bi-level Lighting
	Common Area - Occupancy Sensors for Select Areas (i.e., laundry room)
	Common Area Lighting - Exterior Lighting, incl. controls
Appliances	Electric to Gas Conversion - Dryers
	ENERGY STAR Clothes Washers (commercial)
	ENERGY STAR Refrigerators (common area)
In-Unit	ENERGY STAR Refrigerators
	ENERGY STAR Dishwashers
	ENERGY STAR CFL Hardwired or Linear Fluorescent Fixtures
	ENERGY STAR Room and Thru-the-Wall Air Conditioners
Other	Motors - Install High Efficiency Motors (if over 1 HP and run for more than 4 hours/day)
	Motors - Variable Speed Drives (on variable flow motors over 1 HP and run more than 4 hours/day)
	DHW - Low-flow Showerheads and Sink Aerators



## New Jersey Housing and Mortgage Finance Agency

### 2019 NJHMFA Energy Star LETTER OF INTENT

By signing this document, I certify the following ("we" refers to the applicant organization):

1. We understand that ENERGY STAR certification or an NJHMFA approved alternative, is a prerequisite to participation in the Low-Income Housing Tax Credit program. We agree to complete the applicable NJ Clean Energy Program path, and will comply with the submission requirements listed in the NJHMFA QAP Green requirements document.
2. We understand that no projects are exempt from this requirement and have reviewed the alternative programs paths (if needed) for compliance - as indicated in the NJHMFA QAP Green requirements document.
3. If requested we will allow NJHMFA Technical Services staff, or designee, access to the project site pre, during and post construction for the purpose, of but not limited to, confirming Clean Energy Program compliance.
4. WHEN LIHTC IS AWARDED, CONTACT Pam DeLosSantos or John Ternes FOR THE NEXT COMPLIANCE STEPS.
5. I am an authorized representative of the organization.

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

Name of signer: \_\_\_\_\_

Title: \_\_\_\_\_

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

Parent Organization (not LLC): \_\_\_\_\_

CHECK the intended NJHMFA ENERGY STAR Program or Alternative:

#### **New Construction:**

☐

NJ Energy Star Homes V.3.1

☐

Energy Star Multifamily High Rise

☐

PAY FOR PERFORMANCE  
New Construction

#### **Rehab:**

☐

Home Performance with  
Energy Star

☐

PAY FOR PERFORMANCE  
Existing Construction

☐

ASHRAE Level 2 Energy Audit



New Jersey Housing and Mortgage Finance Agency

## Energy Benchmarking Initiative

Requirements and Documentation

### IMPORTANT NOTES:

- The application shall include a copy of the completed, signed and submitted letter of intent from the developer to NJHMFA.
- Prior to issuance of the 8609, developer/owner will submit a signed energy benchmarking utility release form for all common area meters (gas, oil, and electric, etc.), provision of certain project data (square footage per building, mechanical systems installed, etc.) and signed energy benchmarking utility release forms for a minimum of 50% of tenants rented up at time of 8609 issuance for new construction, and a minimum of 30% of tenants, representing each unit type, for renovation projects.
- Applicant will also be required to include the tenant utility release form as a part of the lease agreement. For the next three years for new construction projects, the applicant will ensure that at least 50% of tenants have viable utility release forms and will collect the utility data from the applicable utility company on a semi-annual basis. For renovation projects, tenant utility data will be collected 1 year prior to commencement of work, and 2 years post-construction for a minimum of 30% of each unit type.
- NJHMFA does not provide additional, set-aside funding for Green Items covered by this program.

### SUBMIT ALL REQUIRED DOCUMENTATION AFTER A TAX CREDIT ALLOCATION TO:

*Please send all required documents to:*

John Ternes, NJ Housing and Mortgage Finance Agency [jternes@njhmfa.gov](mailto:jternes@njhmfa.gov)  
Phone: 609.278.7696

For U.S. Post Office:

P.O. Box 18550

Trenton, NJ 08650-2085

For Fed Ex, UPS, Visitors, etc.:

637 S. Clinton Ave.

Trenton, NJ 08611

### WHAT TO SUBMIT WITH TAX CREDIT APPLICATION

Attach hard copies of the following with application.

- ☐ Letter of Intent
- ☐ Energy Benchmarking building utility release form
- ☐ Energy Benchmarking tenant utility release form

## **LETTER OF INTENT – ENERGY BENCHMARKING INITIATIVE**

Please email a signed copy of this page to NJHMFA Technical Services, and include in Tax Credit Application.

By signing this document, I certify the following ("we" refers to the applicant organization):

1. We have received and reviewed the Program's materials, consisting of the 'LIHTC Green Point Requirements 2019' and 'Energy Benchmarking Technical Manual', which includes the letter of intent, building utility release form and survey, and tenant utility release form.
2. We understand that a meeting with NJHMFA's Technical Services Division is required within three (3) months of the Tax Credit Award Date.
3. We understand that prior to issuance of the 8609 we will submit a signed energy benchmarking utility release form for all common area meters (gas, oil, and electric, etc.), provision of certain project data (square footage per building, mechanical systems installed, etc.) and signed energy benchmarking utility release forms for a minimum of 50% of tenants rented up for new construction, or a minimum of 30% of each unit type for renovation projects, at time of 8609 issuance.
4. We understand for the next three years after new construction, we will ensure that at least 50% of tenants have viable utility release forms; or for renovation projects, for 1 year prior and 2 years after the work is completed, we will ensure that for at least 30% of each unit type, we will collect the utility data from the applicable utility company on a semi-annual basis.
5. We understand that Clean Energy Program compliance is a prerequisite to participation in the LIHTC Green Point program. I will comply with ENERGY STAR, or other applicable requirements, as indicated in the LIHTC QAP section (c) 8 and 2019 ENERGY STAR letter of intent.
6. If requested we will allow NJHMFA staff access to the project site pre, during and post construction for the purpose of but not limited to: project monitoring, performance testing, interviews, surveys and photographs.
7. I am an authorized representative of the organization.

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

Name of signer: \_\_\_\_\_

Title: \_\_\_\_\_

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

Parent Organization (*not LLC*): \_\_\_\_\_

## **BUILDING OWNER UTILITY RELEASE FORM**

### ***Authorization for NJHMFA to Receive Customer Utility Data***

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

To Whom It May Concern:

By signing this release form, the property owner (Owner) grants the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and its designee, a consultant for this initiative, permission to access utility data information for the past one (1) year of (if applicable) and for the following three (3) years from this date for the development/building referenced below. The utility data includes energy consumption, energy demand, energy cost, as well as associated fees and taxes for each billing period. This information will be used to track energy efficiency and consumption of the building indicated below for the express purpose of measuring the success of past energy upgrades, comparing building performance to similar building types and determining need for future energy efficiency improvements.

I am an authorized representative for the development and building listed below and account(s) listed on the following page(s), totaling \_\_\_\_\_ pages, and represent and warrant that I have full authority to execute this release form on behalf of the Owner. Owner understands that the information obtained as part of this initiative may be released by the NJHMFA to other participating developments upon request for comparison purposes. Comparison reports compiled by the NJHMFA for this program and provided to other developments will not include this development's name or address. Owner understands and acknowledges that such information may be subject to release under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., or other applicable law. Owner understands that each applicable utility provider (Utility) reserves the right to verify this authorization request.

Owner authorizes the Utility to release the requested information on Owner's account or facilities to the NJHMFA or its designee. Owner hereby releases, holds harmless, and indemnifies the NJHMFA and the Utility from any liability, claims, demands, causes of action, damages, or expenses as a result of, but not limited to: 1) any release of information to NJHMFA or its designee pursuant to this Utility Release; or 2) the unauthorized use of this information by NJHMFA or its designee.

Sincerely,

Authorized Representative (signature) \_\_\_\_\_

***Please print clearly.***

Authorized Representative Name: \_\_\_\_\_

Development Name: \_\_\_\_\_

Building Service Address: \_\_\_\_\_

Development Contact: \_\_\_\_\_

Mailing Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## **ENERGY BENCHMARKING SURVEY FORM**

Please complete one Building Data Form for each building in a development.

### **BUILDING DATA**

Development Name: \_\_\_\_\_ NJHMFA #: \_\_\_\_\_

Address: \_\_\_\_\_ Year Built: \_\_\_\_\_

Building type (Senior, Family, Mixed): \_\_\_\_\_

Electricity Metering (check one): ☐ Individually-Metered / ☐ Master-Metered Gas

Metering (check one): ☐ Individually-Metered / ☐ Master-Metered

Primary hot water fuel type: \_\_\_\_\_

Percent of floor area that is cooled in 10% increments (10%, 20%, 30%, etc.): \_\_\_\_\_

Percent of floor area that is heated in 10% increments (10%, 20%, 30%, etc.): \_\_\_\_\_

Total Sq. Ft.: \_\_\_\_\_ Common Area Sq. Ft.: \_\_\_\_\_ # of Buildings: \_\_\_\_\_

# of Elevators: \_\_\_\_\_ # of Floors in each building: \_\_\_\_\_ # of units: \_\_\_\_\_

# of Bedrooms: 1: \_\_\_\_\_ 2: \_\_\_\_\_ 3: \_\_\_\_\_ 4: \_\_\_\_\_

**Past Energy-Efficiency Work Completed (select all that apply and implementation year- write N/A if not applicable):**

<b><i>Energy-Efficiency Improvement</i></b>	<b><i>Year implemented</i></b>
<input type="checkbox"/> ENERGY STAR Homes Certification	
<input type="checkbox"/> Multifamily High Rise	
<input type="checkbox"/> Pay for Performance	
<input type="checkbox"/> Home Performance with Energy Star	
<input type="checkbox"/> LEED	
<input type="checkbox"/> Enterprise Green Communities	
<input type="checkbox"/> Windows	
<input type="checkbox"/> Lighting	
<input type="checkbox"/> Other (please describe)	

Please include all types of energy used. Complete additional forms as needed when utility information differs by building.

### **METER INFORMATION**

Electric Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Natural Gas Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Fuel Oil Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Other Meters-not including water or sewer (e.g. Renewable Energy, Propane, and Cogeneration): \_\_\_\_\_

Utility Name & Account Number(s): \_\_\_\_\_



## **BUILDING SYSTEM CHARACTERISTICS:**

**Please check all that apply:**

### **Heating System Type:**

- ☐ Furnace
- ☐ High Efficiency Condensing Furnace
- ☐ High Efficiency Condensing Burner
- ☐ Hot Water Boiler
- ☐ Steam Boiler
- ☐ Heat Pump
- ☐ High Efficiency Variable Heat Pump
- ☐ Ground Source Heat Pump
- ☐ Packaged Terminal Air Conditioner (PTAC) Unit
- ☐ Cogeneration (CHP)
- ☐ Special Description:

### **Cooling System Type:**

- ☐ Chiller
- ☐ Wall Unit (in each Apt.)
- ☐ Cooling Tower
- ☐ Window Unit (in each Apt.)
- ☐ Compressor (mini-split)
- ☐ Compressor (ducted)
- ☐ Ground Source Heat Pump
- ☐ Packaged Terminal Air Conditioner (PTAC) Unit
- ☐ Special Description:

### **Building type:**

- ☐ Wood or steel frame
- ☐ Solid Concrete
- ☐ Masonry
- ☐ Modular
- ☐ Structurally insulated panels (SIPS)
- ☐ Other type:

### **Optional:**

- ☐ Wood or steel frame
- ☐ Solid Concrete
- ☐ Masonry
- ☐ Modular
- ☐ Structurally insulated panels (SIPS)
- ☐ Other type:

## **TENANT UTILITY RELEASE FORM**

### ***Authorization for NJHMFA to Receive Customer Utility Data***

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

To Whom It May Concern:

By signing this release form, the tenant (Tenant) grants the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and its designee (a consultant for this initiative) permission to access utility data information for the past two (2) years of (if applicable) and for the following three (3) years from this date for the unit referenced below. Utility data includes energy consumption, energy demand, energy cost as well as associated fees and taxes for each billing period. This information will be used to track energy efficiency and consumption of the building indicated below for the express purpose of measuring the success of past energy upgrades, comparing building performance to similar building types and determining need for future energy efficiency improvements.

I am an authorized representative for the unit and account(s) listed below and represent and warrant that I have authority to execute this release. Tenant understands that the information obtained as part of this initiative may be released by the NJHMFA to other participating developments upon request for comparison purposes. Comparison reports compiled by the NJHMFA for this program and provided to other developments will not include tenant's information or this development's name or address. Tenant understands and acknowledges that such information may be subject to release under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., or other applicable law. Tenant understands that each applicable utility provider reserves the right to verify this authorization request.

Tenant authorizes the Utility to release the requested information on Tenant's account to the NJHMFA or its designee. Tenant hereby releases, holds harmless, and indemnifies the NJHMFA and Utility from any liability, claims, demands, causes of action, damages, or expenses as a result of, but not limited to: 1) any release of information to NJHMFA or its designee pursuant to this Utility Release; or 2) the unauthorized use of this information by NJHMFA or its designee. Tenant understands that he/she may cancel this authorization at any time by submitting a written request to both the Utility and NJHMFA.

Sincerely,

Authorized Representative (Tenant signature) \_\_\_\_\_

***Please print clearly.***

Representative name: \_\_\_\_\_

Development Name: \_\_\_\_\_

Building Address: \_\_\_\_\_

Unit Number: \_\_\_\_\_ Number of Bedrooms in Unit: \_\_\_\_\_

***Please list utility provider(s) and account number(s):***

ELECTRIC UTILITY: \_\_\_\_\_ ACCOUNT #: \_\_\_\_\_

GAS UTILITY: \_\_\_\_\_ ACCOUNT #: \_\_\_\_\_

## 9% Tax Credit Point Options

### 4 Point options

#### **Participation in one of the following programs\*:**

- 1.) Enterprise Green Communities Mandatory plus 35 points
  - a. 2015 EGC Criteria
  - b. 35 optional points for New Construction, 30 optional points for Substantial Rehab.
  - c. If pursuing actual certification, see EGC's definition of affordable housing projects. Projects must serve residents at or below 60% AMI.
- 2.) LEED Version 4.0 Silver or higher (Homes, Multifamily Midrise or New Construction)
- 3.) ICC/ASHRAE 700 - NGBS 2015 (National Green Building Standard) 2015 Version  
Silver or higher
  - a. Silver = 334 points minimum
- 4.) New Jersey Zero Energy Ready Home (Tier 3)
  - a. Aligns with DOE Zero Energy Ready Home specs
  - b. HERS Score 50 and below.
  - c. Tier 3 Plus includes Solar Electric or Thermal
- 5.) Living Building Challenge
  - a. At least 3 of the 7 petals
- 6.) Passive House
  - a. PHIUS or PHI. If doing PHI, consult with the Technical Services Green Technical Advisor.

*\*Certification is not required but all mandatory requirements of each program must be followed and documented to NJHMFA.*

### 3 Point options

#### **Participation in one of the following programs\*:**

- 1.) Enterprise Green Communities Mandatory criteria
- 2.) LEED v4 Certified
- 3.) ICC/ASHRAE 700 - NGBS 2015 (National Green Building Standard)  
Bronze or higher
  - a. Bronze = 231 points minimum

*\*Certification is not required but all mandatory requirements of each program must be followed and documented to NJHMFA.*

# Required Documents for Each Program

## Enterprise Green Communities (EGC)

### At Application

- NJHMFA Letter of Intent
- Signed contract with an EGC-approved consultant/HERs Rater.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Completed EGC pre-build checklist along with all Supplemental Documents.
- Evidence in drawings and specifications that all mandatory and optional criteria have been incorporated.

### Post Construction, 8609 package

- Post-build checklist and binder documenting each completed criteria, verified by EGC consultant.

For more information, visit <http://www.enterprisecommunity.org/solutions-and-innovation/green-communities/criteria>

## LEED Rating System

### At Application

- NJHMFA Letter of Intent
- Signed contract with a credentialed LEED consultant/HERS rater.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Finalized LEED checklist showing projects' rating level.
- Verification by LEED Consultant and developer that all LEED checklist items have been incorporated into the plans and specifications.

### Post Construction, 8609 package

- Completed LEED checklist with final rating level
- LEED Workbook documenting the fulfillment of all LEED credits and prerequisites.
- Letter and documentation from LEED consultant (New Construction) or Green Rater (Homes or Midrise) stating project met all the parameters of the program.

For more information, visit <http://www.usgbc.org/LEED/>

## NGBS Rating System

### At Application

- NJHMFA Letter of Intent
- Signed contract with an accredited NGBS Green verifier/HERS rater.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Finalized NGBS scoring spreadsheet showing projects' rating level and all claimed points.
- Verification by NGBS Green verifier and developer that all NGBS criteria have been incorporated into the plans and specifications.

### Post Construction, 8609 package

- Final Verification Report/Construction Scoring Spreadsheet, with no red/warning cells.

- Verification Workbook documenting the fulfillment of all NGBS points and mandatory items, signed by NGBS Green Verifier and Builder.

For more info, visit

[http://www.homeinnovation.com/services/certification/green\\_homes/multifamily\\_certification](http://www.homeinnovation.com/services/certification/green_homes/multifamily_certification)

## **Zero Energy Ready Homes**

### At Application

- NJHMFA Letter of Intent
- Signed contract with a ZERH-approved consultant/HERs Rater.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Completed copy of RNC Site Registration form and email confirmation.
- Energy Star Summary Report
- Evidence in drawings and specifications that all NJCEP-ZERH, EPA, and RESNET requirements have been incorporated.

### Post Construction, 8609 package

- All applicable Energy Star or NJCEP completed checklists.
- Energy Star Summary Report

For more information, visit <https://energy.gov/eere/buildings/zero-energy-ready-home>

And <http://njcleanenergy.com/residential/programs/nj-energy-star-homes/builder-information/participation-documents/participation->

## **Living Building Challenge 3.1**

### At Application

- NJHMFA Letter of Intent
- Signed contract with a LBC-approved consultant/HERs Rater.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Copy of Preliminary Audit showing all selected Petals and imperatives.
- Evidence in drawings and specifications that all selected Petals/imperatives have been incorporated.

### Post Construction, 8609 package

- Copy of Post-Construction Preliminary Audit with all documentation for Mandatory Petals and project Typology Imperatives.

For more information, visit <https://living-future.org/lbc/>

## **Passive House (PHIUS+ 2015 Passive Building Standard) Version 2.0**

### At Application

- NJHMFA Letter of Intent
- Signed contract with a PHIUS or PHI-certified Rater/Verifier.

### Prior to Construction (or at Commitment for Agency Construction-financed projects)

- Copy of design and primary project energy modeling by the PHIUS Certified Passive House Consultant (CPHC).

- Evidence in drawings and specifications that all design and equipment will meet PHIUS standards, as approved by the CPHC.

Post Construction, 8609 package

- Copy of Post-Construction final testing, verification and energy performance metrics from the PHIUS+ Certified Rater/Multifamily Verifier.
- PHIUS+ Onsite Quality Control Workbook for Multifamily Projects and supporting documentation/checklists.

For more information, visit <http://www.phius.org/home-page>



## New Jersey Housing and Mortgage Finance Agency

### 2019 NJHMFA 9% Green Point Options LETTER OF INTENT

By signing this document, I certify the following ("we" refers to the applicant organization):

- 1.) We understand that ENERGY STAR certification or NJHMFA approved alternative, is a prerequisite to participation in the Low-Income Housing Tax Credit program. We agree to complete the applicable NJ Clean Energy Program path, and will comply with the submission requirements listed in the NJHMFA QAP Green requirements document.
- 2.) We have received and reviewed the 2019 LIHTC Green Requirements and Documentation, which includes a list of requirements for each 9% option, forms and related informational material.
- 3.) We will submit the requested documentation for our selected option, as outlined in the 2019 LIHTC Green Requirements document.

WHEN LIHTC IS AWARDED, CONTACT Pam DeLosSantos or John Ternes at NJHMFA, FOR THE NEXT COMPLIANCE STEPS.

I am an authorized representative of the organization.

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

Name of signer: \_\_\_\_\_

Title: \_\_\_\_\_

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

Parent Organization (not LLC): \_\_\_\_\_

CHECK intended NJHMFA 9% Green Point Option (check only one):

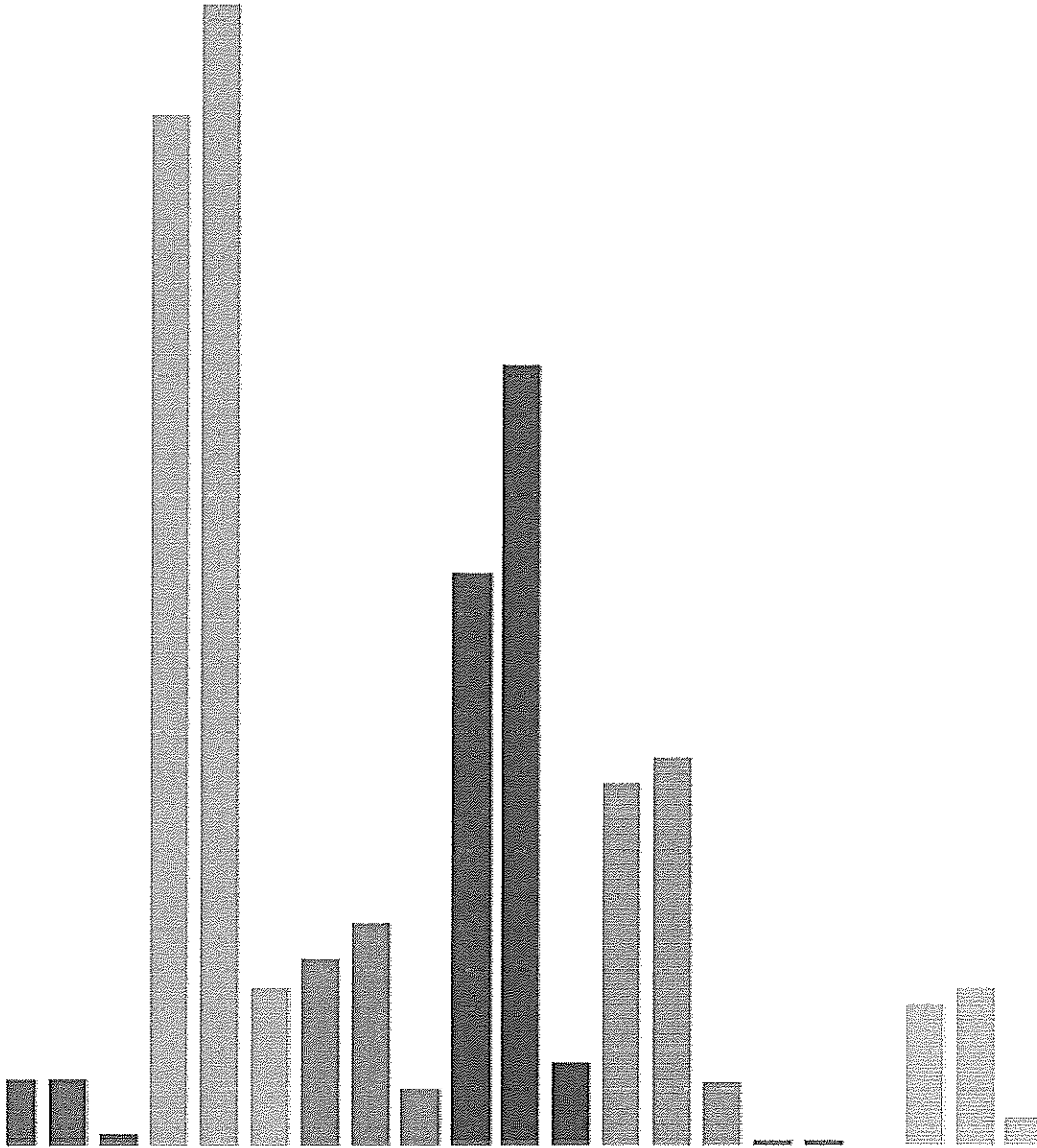
#### **4 Point Options:**

- \_\_\_\_\_ EGC + 35 pts
- \_\_\_\_\_ LEED v4 Silver or Higher
- \_\_\_\_\_ ICC/ASHRAE 700 - NGBS 2015 (Silver or higher)
- \_\_\_\_\_ NJ ZERH Tier 3
- \_\_\_\_\_ Passive House V2.0
- \_\_\_\_\_ LBC 3.1

#### **3 Point Options:**

- \_\_\_\_\_ EGC Mandatory Criteria
- \_\_\_\_\_ LEED v4 Certified
- \_\_\_\_\_ ICC/ASHRAE 700 - NGBS 2015
- \_\_\_\_\_ Minimum Bronze or Higher

# Appendix B



NJHMFA ENERGY BENCHMARKING  
TECHNICAL MANUAL



## **EXECUTIVE SUMMARY**

This technical manual provides guidelines for building managers to successfully benchmark and report their energy usage to the New Jersey Housing and Mortgage Finance Agency (HMFA). Benchmarking is necessary for HMFA to assess sustained performance and compare each building to similar building types on their sustained performance, track the overall progress of efficiency upgrades, and effectively allocate our resources to proven models. Collected benchmarking data will be used to facilitate efficient analysis of energy performance for better management of energy usage, decreased energy expenditures, identify interesting energy use trends over time, decreased carbon emissions, and comparison of energy usage among similar locations and building types. It will allow HMFA to quantitatively compare energy usage in the newer buildings vs. the older buildings and the energy usage in the HMFA buildings that have incorporated energy efficiency measures vs. the buildings that have not received energy efficiency improvements.

## **DEFINITION OF ENERGY BENCHMARKING**

Energy benchmarking is the process of analyzing energy usage over time and comparing the total use to the total cost. Because energy usage is affected by changes in temperature, benchmarking incorporates hot and cold weather data in order to determine the peak usage periods over time. The final results are generally expressed based upon square foot use. This allows for multiple buildings to be aggregated and compared. It is a good measurement for evaluating building energy performance based on the type of building, occupancy, fuel source(s), location, weather, etc.

## **PURPOSE OF ENERGY BENCHMARKING**

The purpose for benchmarking the energy performance of the buildings within the HMFA portfolio is to gain a better understanding of how the buildings use their energy and whether the energy efficiency measures that have been implemented within our buildings have realized their expected energy savings. It will also help us understand how our buildings are performing compared to similar buildings in other states. This analysis also has implications that can guide how HMFA provides financing in the future by:

1. Identifying properties that could benefit from energy efficiency upgrades;
2. Providing guidance for future energy efficiency program development;
3. Providing an underwriting basis for expected utility cost reduction achieved through energy efficiency and renewable energy programs

## **GETTING STARTED**

The following instructions will guide you through the process of collecting the utility data, granting HMFA access to the information, and uploading the information online through the EPA Portfolio Manager system.

### **IMPORTANT NOTES:**

- In order to qualify for this point, the application shall include a copy of the completed, signed and submitted letter of intent from the developer to NJHMFA.
- Prior to issuance of the 8609, developer/owner will submit a signed energy benchmarking utility release form for all common area meters (gas, oil, and electric, etc.), provision of certain project data (square footage per building, mechanical systems installed, etc.) and signed energy benchmarking utility release forms for a minimum of 50% of tenants rented up at time of 8609 issuance for new construction, or a minimum of 30% of each unit type for renovation projects, at time of 8609 issuance. Applicant is required to include the tenant utility release form as a part of the lease agreement.
- For the next three years following issuance of the 8609 for new construction, the applicant will ensure that the required percentage of tenants have viable utility release forms (or provide documentation of the efforts to obtain such forms); or for renovation projects, for 1 year prior and 2 years after the work is completed. For both new construction and renovation projects, common area utility data shall also be uploaded into the EPA Portfolio Manager ([www.energystar.gov/benchmark](http://www.energystar.gov/benchmark)).
- NJHMFA does not provide additional, set-aside funding for Green Items covered by this program.

### **SUBMIT ALL REQUIRED DOCUMENTATION AFTER A TAX CREDIT ALLOCATION TO:**

*Please send all required documents to:*

John Ternes,  
NJ Housing and Mortgage Finance Agency  
[jternes@njhmfa.gov](mailto:jternes@njhmfa.gov)  
Phone: 609.278.7696

For U.S. Post Office:  
P.O. Box 18550  
Trenton, NJ 08611

For Fed Ex, UPS, Visitors, etc:  
637 S. Clinton Ave.  
Trenton, NJ 08650-2085

### **RESOURCES:**

#### **EnergyStar Portfolio Manager:**

<https://www.energystar.gov/istar/pmpam/>

#### **Service providers that offer automated benchmarking through EnergyStar-**

[http://www.energystar.gov/index.cfm?c=spp\\_res.pt\\_spps\\_automated\\_benchmarking](http://www.energystar.gov/index.cfm?c=spp_res.pt_spps_automated_benchmarking)

#### **Energy Auditors that offer benchmarking services through NJ Clean Energy:**

[http://www.njcleanenergy.com/commercial-industrial/programs/nj-smartstart-buildings/tools-and-resources/tradeally/approved\\_vendorsearch/&start=](http://www.njcleanenergy.com/commercial-industrial/programs/nj-smartstart-buildings/tools-and-resources/tradeally/approved_vendorsearch/&start=)

#### **Online Portfolio Manager and Energy Benchmarking Training-**

[http://www.energystar.gov/ia/business/benchmarking\\_training/benchmarking.html](http://www.energystar.gov/ia/business/benchmarking_training/benchmarking.html)  
[http://www.energystar.gov/index.cfm?c=business.bus\\_internet\\_presentations](http://www.energystar.gov/index.cfm?c=business.bus_internet_presentations)

#### **Pre-Recorded Energy Benchmarking Training-**

<https://esbuildings.webex.com/mw3300/mywebex/default.do?siteurl=esbuildings>

## **PROCEDURES**

Use the following checklist as a guide as you benchmark the building and tenant utility usage.

- **STEP 1:** Sign and submit Letter of Intent to HMFA
- **STEP 2:** Set-up meeting and/or conference call with HMFA's Technical Services Division.
- **STEP 3:** Gather building and space attribute information using the **HMFA ENERGY BENCHMARKING SURVEY FORM**.
- **STEP 4:** **COMPLETE AND SIGN** the **BUILDING OWNER UTILITY RELEASE FORM**
- **STEP 5:** Have the tenants **COMPLETE AND SIGN** the **TENANT UTILITY RELEASE Form**
- **STEP 6:** Collect **12 CONSECUTIVE MONTHS** of **BUILDING UTILITY BILLS**
- **STEP 7:** Create a building profile in **PORTFOLIO MANAGER (SEE APPENDIX B)**
  - Portfolio Manager Username (do not submit to HMFA): \_\_\_\_\_
  - Portfolio Manager password (do not submit to HMFA): \_\_\_\_\_
- **STEP 8:** Upload **BUILDING** utility data into **PORTFOLIO Manager**  
([www.energystar.gov/benchmark](http://www.energystar.gov/benchmark))
- **STEP 9:** Input Property Information & Send Invite to Share Property with NJHMFA
- **STEP 10:** Submit the following items to HMFA
  - HMFA Benchmarking survey form
  - Tenant and Building utility release forms (50% of Total # of Tenants for new construction and at least 30% of each unit type for renovation projects)

## **LETTER OF INTENT – ENERGY BENCHMARKING INITIATIVE**

*Please e-mail a signed copy of this page to NJHFMA Technical Services and include in Tax Credit Application.*

By signing this document, I certify the following (“we” refers to the applicant organization):

1. We have received and reviewed the Program’s materials, consisting of the ‘LIHTC Green Point Requirements 2019’ and ‘Energy Benchmarking’ documents, which includes the Letter of Intent, Building Utility Release Form and Survey, and Tenant Utility Release Form.
2. We understand that a meeting with Technical Services is required within three (3) months of the Tax Credit Award Date.
3. We understand that prior to issuance of the 8609 we will submit a signed energy benchmarking utility release form for all common area meters (gas, oil, and electric, etc.), provision of certain project data (square footage per building, mechanical systems installed, etc.) and signed energy benchmarking utility release forms for a minimum of 50% of tenants rented up for new construction, or a minimum of 30% of each unit type for renovation projects, at time of 8609 issuance.
4. We understand for the next three years after new construction, we will ensure that at least 50% of all tenants have viable utility release forms; or for renovation projects, for 1 year prior and 2 years after the work is completed, we will ensure that for at least 30% of each unit type, we will collect the utility data from the applicable utility company on a semi-annual basis.
5. We understand that Clean Energy Program compliance is a prerequisite to participation in the LIHTC Green Point program. I will comply with ENERGY STAR, or other applicable requirements, as indicated in the LIHTC QAP section (c)8 and 2019 ENERGY STAR letter of intent.
6. If requested we will allow NJHMFA staff access to the project site pre, during and post construction for the purpose of but not limited to: project monitoring, performance testing, interviews, surveys and photographs.
7. I am an authorized representative of the organization.

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

Name of signer: \_\_\_\_\_

Title: \_\_\_\_\_

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

Organization: \_\_\_\_\_

## **ENERGY BENCHMARKING SURVEY FORM**

*Please complete one Building Data Form for each building in a development.*

### **BUILDING DATA**

Development Name: \_\_\_\_\_ NJHMFA #: \_\_\_\_\_

Address: \_\_\_\_\_ Year Built: \_\_\_\_\_

Building type (Senior, Family, Mixed): \_\_\_\_\_

Electricity Metering (check one):     ☐ Individually-Metered / ☐ Master-Metered

Gas Metering (check one):             ☐ Individually-Metered / ☐ Master-Metered

Primary hot water fuel type: \_\_\_\_\_

Percent of floor area that is cooled in 10% increments (10%, 20%, 30%, etc.): \_\_\_\_\_

Percent of floor area that is heated in 10% increments (10%, 20%, 30%, etc.): \_\_\_\_\_

Total Sq. Ft.: \_\_\_\_\_ Common Area Sq. Ft.: \_\_\_\_\_ # of Buildings: \_\_\_\_\_

# of Elevators: \_\_\_\_\_ # of Floors in each building: \_\_\_\_\_ # of units: \_\_\_\_\_

# of Bedrooms:        1: \_\_\_\_\_        2: \_\_\_\_\_        3: \_\_\_\_\_        4: \_\_\_\_\_

**Past Energy-Efficiency Work Completed (select all that apply and implementation year- write N/A if not applicable):**

<b><i>Energy-Efficiency Improvement</i></b>	<b><i>Year implemented</i></b>
<input type="checkbox"/> ENERGY STAR Homes Certification	
<input type="checkbox"/> Multifamily High Rise	
<input type="checkbox"/> Pay for Performance	
<input type="checkbox"/> Home Performance with Energy Star	
<input type="checkbox"/> LEED	
<input type="checkbox"/> Enterprise Green Communities	
<input type="checkbox"/> Windows	
<input type="checkbox"/> Lighting	
<input type="checkbox"/> Other (please describe)	

*Please include all types of energy used. Complete additional forms as needed when utility information differs by building.*

### **METER INFORMATION**

Electric Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Natural Gas Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Fuel Oil Utility Name: \_\_\_\_\_

Account Number(s): \_\_\_\_\_

Other Meters-not including water or sewer (e.g. Renewable Energy, Propane, Cogeneration):

Utility Name & Account Number(s): \_\_\_\_\_

Utility Name & Account Number(s): \_\_\_\_\_

Utility Name & Account Number(s): \_\_\_\_\_

## **BUILDING SYSTEM CHARACTERISTICS:**

***Please check all that apply:***

### **Heating System Type:**

- ☐ Furnace
- ☐ High Efficiency Condensing Furnace
- ☐ High Efficiency Condensing Burner
- ☐ Hot Water Boiler
- ☐ Steam Boiler
- ☐ Heat Pump
- ☐ High Efficiency Variable Heat Pump
- ☐ Ground Source Heat Pump
- ☐ Packaged Terminal Air Conditioner (PTAC) Unit
- ☐ Cogeneration (CHP)
- ☐ Special Description:

### **Cooling System Type:**

- ☐ Chiller
- ☐ Wall Unit (in each Apt.)
- ☐ Cooling Tower
- ☐ Window Unit (in each Apt.)
- ☐ Compressor (mini-split)
- ☐ Compressor (ducted)
- ☐ Ground Source Heat Pump
- ☐ Packaged Terminal Air Conditioner (PTAC) Unit
- ☐ Special Description:

### **Building type:**

- ☐ Wood or steel frame
- ☐ Solid Concrete
- ☐ Masonry
- ☐ Modular
- ☐ Structurally insulated panels (SIPS)
- ☐ Other type:

### **Optional:**

- ☐ Wood or steel frame
- ☐ Solid Concrete
- ☐ Masonry
- ☐ Modular
- ☐ Structurally insulated panels (SIPS)
- ☐ Other type:

## **Building Owner Utility Release Form**

### ***Authorization for NJHMFA to Receive Customer Utility Data***

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

To Whom It May Concern:

By signing this release form, the property owner (Owner) grants the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and its designee, a consultant for this initiative, permission to access utility data information for the past one (1) year of (if applicable) and for the following three (3) years from this date for the development/building referenced below. The utility data includes energy consumption, energy demand, energy cost, as well as associated fees and taxes for each billing period. This information will be used to track energy efficiency and consumption of the building indicated below for the express purpose of measuring the success of past energy upgrades, comparing building performance to similar building types and determining need for future energy efficiency improvements.

I am an authorized representative for the development and building listed below and account(s) listed on the following page(s), totaling \_\_\_\_ pages, and represent and warrant that I have full authority to execute this release form on behalf of the Owner. Owner understands that the information obtained as part of this initiative may be released by the NJHMFA to other participating developments upon request for comparison purposes. Comparison reports compiled by the NJHMFA for this program and provided to other developments will not include this development's name or address. Owner understands and acknowledges that such information may be subject to release under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., or other applicable law. Owner understands that each applicable utility provider (Utility) reserves the right to verify this authorization request.

Owner authorizes the Utility to release the requested information on Owner's account or facilities to the NJHMFA or its designee. Owner hereby releases, holds harmless, and indemnifies the NJHMFA and the Utility from any liability, claims, demands, causes of action, damages, or expenses as a result of, but not limited to: 1) any release of information to NJHMFA or its designee pursuant to this Utility Release; or 2) the unauthorized use of this information by NJHMFA or its designee.

Sincerely,

Authorized Representative (signature): \_\_\_\_\_

***Please print clearly.***

Authorized Representative Name: \_\_\_\_\_

Development Name: \_\_\_\_\_

Building Service Address: \_\_\_\_\_

Development Contact: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

## **Tenant Utility Release Form**

### ***Authorization for NJHMFA to Receive Customer Utility Data***

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

To Whom It May Concern:

By signing this release form, the tenant (Tenant) grants the New Jersey Housing and Mortgage Finance Agency (NJHMFA) and its designee (a consultant for this initiative) permission to access utility data information for the past one (1) year of (if applicable) and for the following three (3) years from this date for the unit referenced below. Utility data includes energy consumption, energy demand, energy cost as well as associated fees and taxes for each billing period. This information will be used to track energy efficiency and consumption of the building indicated below for the express purpose of measuring the success of past energy upgrades, comparing building performance to similar building types and determining need for future energy efficiency improvements.

I am an authorized representative for the unit and account(s) listed below and represent and warrant that I have authority to execute this release. Tenant understands that the information obtained as part of this initiative may be released by the NJHMFA to other participating developments upon request for comparison purposes. Comparison reports compiled by the NJHMFA for this program and provided to other developments will not include tenant's information or this development's name or address. Tenant understands and acknowledges that such information may be subject to release under the Open Public Records Act, N.J.S.A. 47:1A-1 et seq., or other applicable law. Tenant understands that each applicable utility provider reserves the right to verify this authorization request.

Tenant authorizes the Utility to release the requested information on Tenant's account to the NJHMFA or its designee. Tenant hereby releases, holds harmless, and indemnifies the NJHMFA and Utility from any liability, claims, demands, causes of action, damages, or expenses as a result of, but not limited to: 1) any release of information to NJHMFA or its designee pursuant to this Utility Release; or 2) the unauthorized use of this information by NJHMFA or its designee. Tenant understands that he/she may cancel this authorization at any time by submitting a written request to both the Utility and NJHMFA.

Sincerely,

Authorized Representative (Tenant signature) \_\_\_\_\_

***Please print clearly.***

Representative name: \_\_\_\_\_

Development Name: \_\_\_\_\_

Building Address: \_\_\_\_\_

Unit Number: \_\_\_\_\_ Number of Bedrooms in Unit: \_\_\_\_\_

***Please list utility provider(s) and account number(s):***

ELECTRIC UTILITY: \_\_\_\_\_ ACCOUNT #: \_\_\_\_\_

GAS UTILITY: \_\_\_\_\_ ACCOUNT #: \_\_\_\_\_





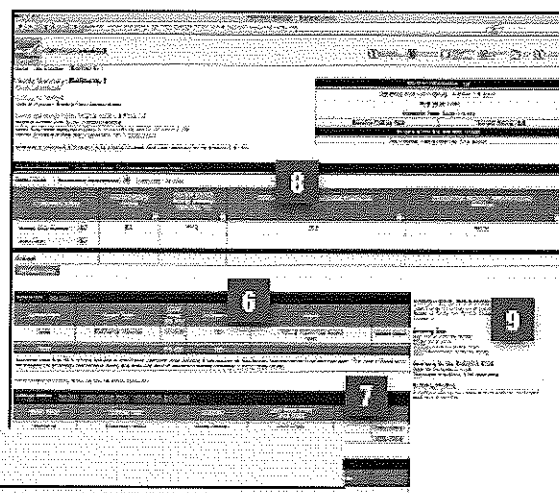
# PORTFOLIO MANAGER - QUICK REFERENCE GUIDE

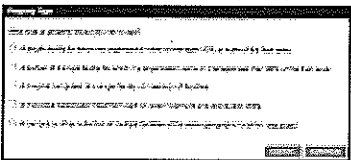
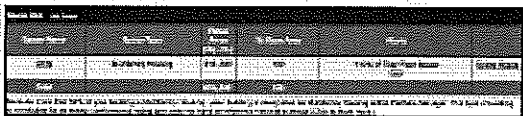
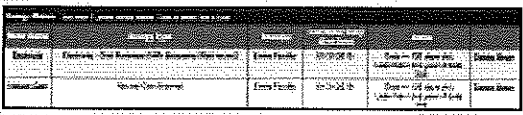
## MULTIFAMILY HOUSING

### Tracking Your Energy Performance

Portfolio Manager is an online, interactive energy management tool that allows you to measure and track your building's energy and water consumption, identify investment priorities, and verify improvements over time. Multifamily housing communities can use Portfolio Manager to track weather-normalized energy use intensity (EUI), energy costs, greenhouse gas emissions, and water consumption.

### USE PORTFOLIO MANAGER STEP-BY-STEP



STEP	ACTIVITY	ACTION
1	Access Portfolio Manager	<a href="http://www.energystar.gov/benchmark">www.energystar.gov/benchmark</a>
2	Access your account <ul style="list-style-type: none"> <li>Create a new account</li> <li>Login to an existing account</li> </ul>	<ul style="list-style-type: none"> <li>Click REGISTER.</li> <li>Enter user name and password and click LOGIN.</li> </ul>
3	Review system updates and enter your account	Click ACCESS MY PORTFOLIO.
4	Add a new facility	Click ADD a Property.
5	Select property type and enter general facility information 	From the "Add a Property" screen, most users will select "A single facility for which my organization owns or manages 80% or more of the floor area." This is the case even for garden or townhouse properties with multiple buildings. Only select the last option ("A campus or other collection of multiple facilities at the same geographic location") if you have multiple multifamily buildings, all on the same master meter. Click CONTINUE, enter General Facility Information, and then click SAVE.
6	Enter space use data 	Go to "Space Use" section and click ADD SPACE. <ul style="list-style-type: none"> <li>Enter a facility name. In the "Select a Space Type" menu, select "Multifamily Housing." Enter an effective date. Click CONTINUE.</li> <li>Enter space data. Enter total gross square footage (including both common area and apartment space) even if you are only entering common area energy data. The other space use questions are voluntary but it is highly encouraged to enter optional space use information. Click SAVE.</li> </ul>
7	Enter energy use data 	Go to "Energy Meters" section and click ADD METER. <ul style="list-style-type: none"> <li>Enter meter name, type, and units. Click SAVE.</li> <li>Enter number of months and start date. Click CONTINUE.</li> <li>Enter energy use and cost. Click SAVE.</li> </ul> Repeat for all energy meters and fuel types.
8	Set metering configuration	Underneath the "Energy Meters" section, click SET METERING CONFIGURATION. <ul style="list-style-type: none"> <li>Select appropriate option from radio button list. Click SAVE.</li> <li>See Features section for additional guidance.</li> </ul>
9	Review and Interpret results	Go to "Facility Performance" section and review your results. More information is provided on pages two and three of this guide.
10	Manage account	Share data and perform other administrative tasks.

[www.energystar.gov/benchmark](http://www.energystar.gov/benchmark)