

# Money Follows the Person Housing Partnership Program



## **What is Money Follows the Person Housing Partnership Program (MFPHPP)**

- The program is a partnership between the NJ Housing & Mortgage Finance Agency (HMFA) and the NJ Department of Human Services, Division of Aging Services (DoAS)
- Funding for the MFPHPP comes from the Money Follows the Person (MFP) Rebalancing Fund

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## **What is Money Follows the Person (MFP):**

- MFP is a demonstration program created by the Federal Government to assist individuals transitioning from institutions into a community setting
- MFP provides states with an enhanced federal reimbursement for the cost of services provided to individuals who enroll on a Medicaid Waiver when they move to the community
- The enhanced federal reimbursement, known as “rebalancing funds,” are being utilized to fund the MFPHPP

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<https://www.youtube.com/watch?v=PugkFJDYsKk>

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## **Eligible Types of Projects:**

- New construction and/or rehabilitated projects financed with:
  - 4% and 9% Low Income Tax Credits
  - Fund for Restoration of Multifamily Housing (FRM)
  - Bond Financed Multifamily Projects

## **Eligible Project Locations:**

- Bergen, Essex, Hudson, Monmouth, Morris, Ocean and Passaic counties
- As needs of the target tenant population change, the list of eligible counties may be subject to change

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Selection of MFPHPP 1-Bedroom Units	
	Points
Accessibility of units	4
Community integration, including access to transportation, employment opportunities, and other community resources	3
*Geographic locations reflecting preferences of target population	3
Presence of on-site social service coordinator with ability to support MFP participants	2
Developer's experience with supportive housing	1
Other amenities on site (community meeting space, fitness center, washer/dryer on premises, etc.)	1

\*Based upon MFP participant housing data, projects will be awarded the point value if the project is located in the towns (s) in which MFP participant(s) have expressed an interest in residing.

**Note:** A minimum score of 12 points is required to be considered for the receipt of a Letter of Support from DoAS/MFP

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## Helpful Accessibility Features

- Roll in shower/accessible shower units
- Sufficient room next to commode for wheelchair so individual can slide from wheelchair onto commode
- Automated door openers
- Hardwood and ceramic tile
- Linen closets with slide out shelving
- Accessible controls for heating
- Grab bars
- Front control range/oven
- Side by side refrigerator
- Accessible kitchen cabinets with roll under access

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## **Eligible Tenants:**

- Individuals age 18 and over who are physically disabled
- Currently living in a nursing home
- Assessed as capable of living in a community setting with support services

## **Eligible Units:**

- Capital subsidy is only for one-bedroom units
- Developers may apply for financing for up to 5 units in any one project
- Financing for more than 5 units will be considered on a case by case basis
- Preference may be given to projects that are not age restricted

## **Subsidy Loan amounts:**

- Maximum capital subsidies per set aside one-bedroom unit is \$75,000
- Set-aside units are underwritten at 20% AMI
- Note: This is not a rental subsidy program

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## **Financing Term:**

- Permanent loan for 30 years
- HMFA will consider terms as low as 20 years or as long as 40 years

## **Types of Available Loans:**

- Construction and Permanent
- Permanent Financing Only

## **Lien Status:**

- First mortgage lien on the land and improvement, if available
- Subordinate mortgage lien position, if first lien is not available
- Permanent loan for 30 years
- HMFA will also consider terms as low as 20 years or as long as 40 years



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## **Mortgage Collateral:**

- MFPHPP will be secured by a Note and Mortgage

## **Mortgage Interest Rate:**

- MFPHPP loan will be structured as zero percent (“0%”) interest rate cash flow loan

## **MFPHPP Loan Repayment:**

- Repayment will be equal to 25% of available cash flow
- Unpaid balance will be due and payable on the maturity date of the MFPHPP loan

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## **Affordability Controls:**

- MFPHPP set-aside units must continue to be occupied by MFPHPP-eligible tenants for the life of the mortgage
- MFPHPP set-aside units will be underwritten at 20% AMI
- MFPHPP will be deed restricted for the term of the mortgage

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## **Tenant Referral Process:**

- HMFA notifies DoAS of available units
- DoAS identifies tenant for the available vacant unit and refers to Developer
- Tenant inspects the available unit
- If unit selected, tenant sends completed rental package to Developer
- Developer determines applicant's eligibility based on Developer's tenant selection plan
- Developer furnishes copies of rental package/application to HMFA for review and approval
- Developer completes population and income certification
- Developer and Tenant execute lease
- Tenant moves into unit
- Developer must provide justification in writing to HMFA/DoAS if tenant is found ineligible

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## **Developer's Responsibilities**

- Verifies information related to SSI or any other income source
- Computes rental payments
- Conducts background checks if applicable
- Conducts annual income re-certification
- Submits tenant's information to HMFA for review and approval
- Notifies HMFA and DoAS if tenant chooses not to renew lease

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## Role of HMFA

- HMFA administers MFPHPP
- Supported Housing and Special Needs Division staff in cooperation with Tax Credit and Multifamily staff, will develop list of available projects
- HMFA in cooperation with DoAS review MFPHPP application to select eligible projects
- 90 days before construction completion HMFA staff communicates with Developers to ensure availability of units at end of the construction period

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## **Role of DoAS**

- DoAS in partnership with HMFA will review MFPHPP applications to determine eligibility of projects
- DoAS will refer prospective tenants
- Support services are provided to tenants and paid through NJ's Managed Long-Term Services & Supports (MLTSS)
- Managed Care Organization (MCO) assigns each participant a care manager
- DoAS staff will oversee and monitor the initial transition plan developed and provided by the MCO

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