



New Jersey

Low Income Housing Preservation in 2010

Low Income Housing Tax Credits (9% Tax Credits)

New Jersey's 2010 QAP includes four funding cycles: Family will receive at least \$9 million, Senior will receive at least \$3 million, Supportive will receive at least \$2 million, and Final will receive whatever credits are left over from the other cycles. For the Final cycle the highest ranked preservation proposal will be the first development funded. Preservation projects are defined as housing projects that are at least 50% occupied and at risk of losing its affordability controls or level of affordability. In general, minimum rehabilitation projects, proposals in which construction costs are less than \$25,000 per unit, are not eligible for competitive tax credits but they may be funded if there are no other eligible projects during the Supportive or Final cycles.

In the family and final cycles, rehabilitation projects receive 3 points that generally only low-density buildings with large family units are eligible for. In all cycles, rehabilitation of historic buildings is worth 2 points.

Allocations (2003-2009)

Properties Preserved: 26

Apartments Preserved: 1,552

Additional Info: New Jersey has consistently used 9% tax credits to preserve affordable housing, allocating over 12% of its total 9% credits to preservation in 2007, 2008, and 2009.

Private Activity Bonds with 4% Tax Credits

New Jersey has preserved a significant amount of affordable housing using their bond cap and 4% tax credits over the last several years.

Allocations (2003-2009)

Properties Preserved: 21

Apartments Preserved: 2,967

Additional Info: In 2008 and 2009, New Jersey allocated over 65% of its 4% tax credit towards preservation projects.

Housing Trust Funds

New Jersey legislation enables the creation of local housing trust funds with a funding option.

PLEASE NOTE: *Some of the information on housing trust funds included in this report was generously provided by the Center for Community Change (Housing Trust Fund Project).*

Green Multifamily Preservation Initiatives

Green Incentives in State Tax Credit Allocation Plan

New Jersey's 2010 QAP requires all applicants participate in the Energy Star Homes Program. Up to 3 project points are awarded for providing certain unit amenities including Energy Star refrigerators, Energy Star washers and dryers within the units, or Energy Star dishwashers. An additional point is available for providing Energy Star washers and dryers communal in laundry rooms. One point is available to proposals that participate in the NJ HMFA Green Future program, which incorporate a solar energy system of at least 20 kW and capable of covering 75% of the project's common area electricity, or which attain LEED certification. These incentives do not distinguish between rehab and new construction.

Other Green Incentives Relevant to Preservation

The Department of Community Affairs administers New Jersey's Weatherization Assistance Program. New Jersey sets aside a portion of their WAP allocation for the weatherization of multifamily projects. The New Jersey Housing and Mortgage Finance Agency is receiving \$30 million from the Dept. of Community Affairs to weatherize state financed multifamily housing. Participating owners must commit to additional affordability requirements. For complete information on NJ's weatherization program see: <http://www.waptac.org/grantee-contacts.aspx>.

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) has used SEP funding to create the Multifamily Energy Efficiency Improvement Pilot. The pilot program will provide financing for energy efficiency upgrades in multifamily housing units as well as renewable energy installations in multifamily buildings. NJHMFA will provide low interest loans which can be used to finance the balance of the cost of energy efficiency improvements not covered by other state and federal incentives.

The Public Service Electric and Gas Company (PSE&G) Residential Multifamily Housing Program provides up-front interest free financing and grant incentives to cover the cost of eligible energy efficiency installations. Costs are covered by a combination of a buy-down grant from PSE&G and 0% financing. PSE&G's grants will reduce the payback period of the measure for as much as 7 years and no less than 2 years, thereby reducing the cost of the measure. Building owners will receive no interest financing for the remaining installation costs, payable as an additional charge on their PSE&G bill over a ten year period. Building owners receive a free whole building energy audit. All energy efficiency measures identified by the audit as having a simple payback of fifteen years or less will be eligible. PSE&G (and NJHMFA in the case of state-financed properties) must approve the measures the building owner wishes to install.

Other incentives include a sales tax exemption for renewable energy systems, renewable energy production rebates, grants for green rehabilitation, and a renewable energy credit (REC) purchasing program.

For additional information on green initiatives, visit www.aceee.org for more on policies related to energy efficiency or www.dsireusa.org for programs that may be available to developers to incentivize renewable energy or energy efficiency.

Sustainable Communities & Transit-Oriented Development Incentives

New Jersey awards 7 points to projects which are located in a QCT and a "ready to grow area" while contributing to a Community Revitalization Plan.

Projects which are located within in a Transit Village receive 10 points in the Family, Senior and Final Cycles. Additionally, 1 point is given for being located within 1/2 mile of a public transit stop.