

# New Jersey Housing and Hospital Pilot Overview

The New Jersey Housing and Mortgage Finance Agency (HMFA) is prioritizing the development of affordable and supportive housing for persons with special needs and who are high utilizers of emergency services. HMFA is allocating 4% low income housing tax credits (LIHTC), providing \$12 million in grants, and additional loans to assist four to five hospitals build new affordable and supportive housing on or near their hospital campuses. St. Joseph's University Medical Center is the first approved project and has 71 units planned. There is interest from several other medical systems. If the program is successful, HMFA may seek to increase the portion of HMFA grants eligible for the program.

## About the Program:

- Hospitals apply to build affordable and supportive housing on or near hospital campuses

### How are the projects financed?

- 4% Federal low income housing tax credit
- HMFA subsidy dollars
- Matching hospital equity. To encourage smaller hospitals to participate, HMFA changed the program to offer a loan to hospitals to cover the equity match portion, if needed
- HMFA amortizing loan of up to \$4 million

### Persons targeted:

- Persons with special needs
- Frequent users of hospital emergency services
- Extremely low-income households



### Developer:

- NJ Community Development Corporation

### Property:

- St. Joseph's is donating land one block from the medical center
- Property is in an opportunity zone

### The Building

- One to three bedroom apartments affordable to hospital employees
- 71 apartments

### Additional subsidies:

- Ten project-based Housing First Vouchers from The NJ Department of Community Affairs

Anticipated completion 2021

## Sample Capital Stack from HMFA

Example 60-unit affordable housing development with ten units set aside for frequent emergency room users.

Sample Funding Source	Amount
4% Tax Credit Equity	\$4,839,009
HMFA Tax Exempt Financing	\$1,166,902
Special Needs Housing Trust Fund	\$1,000,000
HMFA Program Subsidy	\$3,250,000
Hospital Contribution	\$3,250,000
Deferred Developer Fee	\$1,275,000
<b>Total Development Costs</b>	<b>\$14,780,911</b>

*"As anchor institutions in their communities, hospitals can play a leading role in the creation of housing that is affordable to families, nurses, and other hospital staff, and also take specific measures to help reduce the health and hospital costs associated with the frequent and unnecessary use of emergency hospital services and get them the supportive housing they need to sustain healthy living."*

~ Charles Richman, Executive Director of HMFA

Housing is the foundation from which we build our lives. Ensuring that people live in healthy homes is a critical public health issue. The [Housing Alliance of Pennsylvania](http://housingalliancepa.org) is advocating for safe, decent, and affordable homes for low-income persons so they have stable housing and can improve and maintain their health.