



Timely & Synergistic

Federal and State-Level Expansions of the LIHTC Program

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Finance Agency (NJHMFA)

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Housing as a Human Right: Driving Progress in Times of Uncertainty

September 26, 2025



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Multifamily and Supportive Housing Programs

MULTIFAMILY FINANCING

- The Multifamily Division is comprised of individuals who specialize in finance, mortgage lending, real estate development, and planning with a passion for community development. Our goal is to finance safe, decent, quality affordable housing units for families and seniors and special needs individuals.
- Building affordable housing is complex and costly, requiring multiple funding sources or, as it's called in the industry, a "capital stack."
- A developer needs multiple sources of capital to fund an affordable housing development, so it's important to align the requirements associated with all the different funding sources.
- The Multifamily Division plays an important role in reviewing the project's capital stack, or funding sources, and what uses these funds will be utilized for. Typical uses include the project's design, construction, acquisition and professional services costs.



MULTIFAMILY FINANCING

Types of Financing:

Available loan options:

- Construction/Permanent
- Permanent Take-Out

**HMFA Construction financing requires payment of prevailing wages.*



Financing made available through the sale of tax-exempt and/or taxable bonds:

- Tax-exempt bonds are eligible for 4% tax credits
(non competitive)
- Taxable bonds can be used with the 9% tax credits
 - (competitive)



MULTIFAMILY FINANCING

HMFA Financing Advantages:

- Standard 15, 20 and 30 year fixed rate
- Non-recourse Loans; credit enhancement may be required
 - Low financing fees
- Eligible for New Jersey sales tax exemption on supplies and materials purchased for the project when HMFA is the construction lender
 - HMFA Tax Abatement/PILOT

Types of Rental Housing:

- Family
- Senior
- Preservation of existing units
- Supportive Housing

*Stafford Park Apartments; Family
Stafford Township, Ocean*

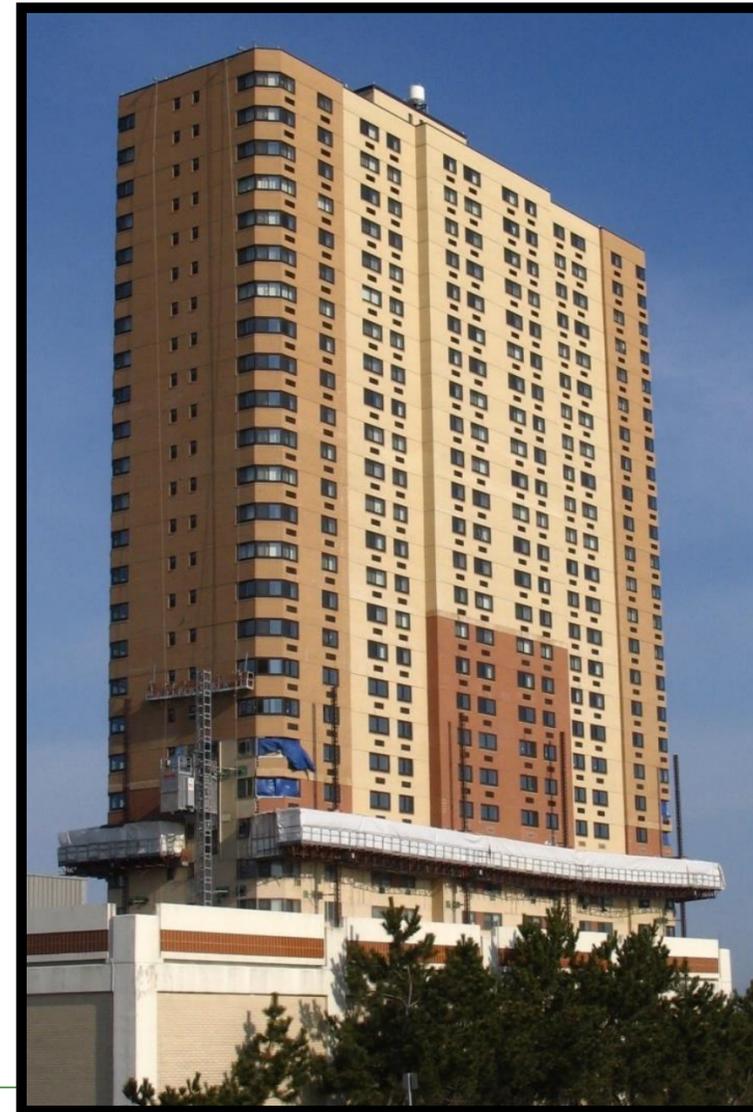


MULTIFAMILY FINANCING

Conduit Bond Program

- NJHMFA issues bonds on a “pass through” basis on behalf of Borrower.
- Bonds are obligations of the Borrower, not NJHMFA.
- Projects are eligible to receive 4% tax credits from NJHMFA’s Low Income Housing Tax Credit (LIHTC) Program.
- The Conduit Bond Program provides the development community a competitive array of multifamily financing alternatives.
- Conduit financing is available for projects seeking permanent financing over \$20 million.

*Asbury Tower; Senior
Asbury Park, Monmouth*



SUPPORTIVE HOUSING FINANCING

NJHMFA's Special Needs Housing Trust Fund Program provides housing and residential opportunities as alternatives to institutionalization or homelessness for those who benefit from these programs to ensure the long term viability of such housing.

The Special Needs Housing Trust Fund Program enables persons with special needs to live with dignity and independence within communities of their choice by providing capital funding to increase the supply of affordable and quality housing with supportive services and other residential opportunities.



SUPPORTIVE HOUSING FINANCING

- Key NJHMFA program to provide **permanent and supportive housing** for special needs populations
- Provides **capital financing** in the form of cash flow loan to experienced and qualified housing sponsors
- Can cover up to **\$4,000,000** or **80% of Total Development Cost** per project
- Funds **can** be used for:
 - *Land/building acquisition*
 - *Construction of new units*
 - *Rehabilitation of existing units*
- Funds **cannot** be used for:
 - *Rent and operating subsidies*
 - *Supportive services*
 - *Non-special needs units*
 - *Age-restricted units*
 - *Units for residents earning over 80% of Area Median Income*



SUPPORTIVE HOUSING FINANCING

Eligible Applicants:

Nonprofit and For-Profit developers

Eligible Projects:

Permanent supportive housing or community residences

The Trust Fund is used to solely fund special needs units

Maximum Loan Amount:

The total maximum loan amount for any single project may not exceed four million dollars (\$4,000,000). The Agency reserves the right to determine reasonable costs and to set a maximum allowable loan for a project.

Social Service Plan:

Developers must identify target population, service provider and social service plan

The Trust Fund cannot be used to fund non-special needs units. For mixed occupancy projects the maximum loan amount for the special needs' units will be determined by Agency staff but will not exceed \$150,000 per unit.



THE APPLICATION PROCESS

- All applicants must submit a complete mortgage financing application package through the **Multifamily and Supportive Housing Lending Portal**.

See below link for more information:

<https://www.nj.gov/dca/hmfa/developers/multifamily/lendingportal/>

- Non-Refundable Application Fees: Multifamily Financing Traditional Financing - \$5,000 Conduit Financing - \$7,500 Special Needs Financing Special Needs Housing Trust Fund (SNHTF) - \$1,000.

After application is submitted:

- Project assigned to Credit Officer at NJHMFA
- CO works with developer on timeline for Board approval



NJHMFA MULTIFAMILY UPDATES

- HMFA has implemented the option for new project applicants to lower the bond financing threshold request from 55% to 30% for 4 percent Credit projects financed with tax-exempt private activity bonds that have an issue date after December 31, 2025.
- HMFA is currently working on finalizing guidelines for the State Tax Credit Subsidy Program Fund. Once the Program has been finalized internally, we will share details and requirements with the development community.



**For questions and additional information:
Multifamily/ Supportive Housing and Lending Division**

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Thank you to our Speakers!

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