



MAYOR CHRIS BOLLWAGE

CITY OF ELIZABETH PRESS RELEASE



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OVER A MILLION GRANTED IN HOUSING TAX CREDITS AND HOME EXPRESS FUNDS FOR NEW SENIOR HOUSING AND COMMERCIAL SPACE

ELIZABETH, NJ, September 26, 2008— Mayor Chris Bollwage announced that through a joint cooperation of Department of Community Affairs (DCA) and New Jersey Housing and Mortgage Finance Agency's (NJHMFA) financing programs the City of Elizabeth has been granted over a million dollars for a new senior housing and commercial development.

“Both Commissioner Joseph V. Doria, Jr. and Executive Director Marge Della Vecchia should be commended for improving and streamlining the process in which cities like Elizabeth fund affordable housing,” stated Mayor Chris Bollwage. “Funding will help provide much need housing for seniors and incorporate commercial space for a growing neighborhood.”

The Housing Authority of the City of Elizabeth (HACE) was awarded a reservation of Low Income Housing Tax Credits (LIHTC) in an amount not to exceed \$538,345 and through the Balanced Housing/Home Express fund the City was awarded \$806,000 for the First Street Urban Renewal project. The Department of Housing and Urban Development (HUD) will contribute over a million dollars in development costs from their Housing Replacement Factor Program. In addition, the City of Elizabeth through their Elizabeth Home Improvement Program's Home Funds will contribute \$600,000 toward the proposed low-income units.

Local partners include the Elizabeth Development Company (EDC) who will own and manage the commercial space within the proposed development, and the Housing Authority of the City of Elizabeth (HACE). “This project is an example of great partners working together to accomplish great things,” stated William Jones, Executive Director of HACE. “This project will serve our cherished seniors with much needed housing, it will offer residents additional shopping opportunities, and beautify one of the oldest neighborhoods in the City.”

The comprehensive four story development located in the City's port area will include: 30 new units of residential senior, 10 units for very low-income families, 20 units for low-income families and commercial space.

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The joint cooperation of DCA, HMFA, HUD, and City of Elizabeth's financing programs represents an improved efficiency in providing funding to meet New Jersey's affordable housing needs. States are allocated low-income housing tax credits by the federal government on an annual per-capita basis. As the designated housing finance agency for the state of New Jersey, HMFA is responsible for the allocation of tax credits to qualified applicants and the monitoring of those projects for compliance with the Internal Revenue Code.

Federal Low Income Housing Tax Credits are awarded to developers planning to build new rental apartments or rehabilitate existing units for low-income households. Recipients become eligible to write off a percentage of their personal or corporate income on federal tax returns for a period of 10 years. The rental apartments must be reserved for low-income households for a period of 30 to 45 years. Construction completion for the developments is expected within 12 to 24 months.

DCA's Neighborhood Preservation Balanced Housing Program is funded through a portion of the New Jersey Realty Transfer Tax receipts. The Home Express Program, created jointly between DCA and HMFA, allows HMFA to administer Balanced Housing funds on behalf of DCA for rental projects that are eligible for low-income housing tax credits pursuant to the federal low-income housing tax credit program.

No direct funding comes from the State Treasury for these programs.

DCA and HMFA announced the award of \$52.3 million in total affordable housing funds. \$15.1 million of the funding is from Federal Low Income Housing Tax Credits (LIHTC) and \$37.2 million of the funding is from Balanced Housing/Home Express funds. The funding will support the creation of 752 affordable rental housing units and the preservation of 120 units in nine communities throughout New Jersey.