



Christie Administration Launches \$10 Million Predevelopment Loan Fund For Affordable Rental Housing To Revitalize Sandy-Impacted Communities

Loans Will Cover Predevelopment Costs For Nonprofit Developers And Create 1,000 Units Of Affordable Housing For New Jersey Families

For Immediate Release
Thursday, June 27, 2013

Contact: Michael Drewniak
Colin Reed
609-777-2600

Trenton, NJ – The New Jersey Department of Community Affairs (DCA) and its affiliate the New Jersey Redevelopment Authority (NJRA) today announced the creation of the Predevelopment Fund for Affordable Rental Housing. The new initiative, supported through federal Community Development Block Grant (CDBG) Disaster Recovery funds, will provide financing to help nonprofit developers revitalize Sandy-affected areas by covering the predevelopment costs associated with the redevelopment of properties that are currently considered unsafe, underutilized, or in foreclosure.

“Superstorm Sandy was an additional blow to the economic vitality of a number of already hard-hit communities,” said DCA Commissioner Richard E. Constable, III, who also chairs the NJRA board. “With the Predevelopment Fund for Affordable Rental Housing, the New Jersey Redevelopment Authority will be able to create up to 1,000 new units of affordable housing for New Jersey families over the next two years. These projects will have an important ripple effect in these communities and will create urgently needed, safe and affordable housing for New Jersey families. We will continue to work together to create initiatives that will support New Jersey residents as they continue to recover and rebuild from Superstorm Sandy.”

Today’s program launch continues the Christie Administration’s efforts to support Sandy-impacted homeowners and renters. New Jersey has now secured \$379 million in Community Development Block Grant (CDBG) Disaster Recovery funds for programs that replenish the stock of rental housing throughout affected areas, repair affordable rental units left uninhabitable by the storm, and provide affordable housing for residents in need.

It also builds on last month’s launch of the \$780 million “reNew Jersey Stronger” Housing Assistance Initiative, which includes the Homeowner Reconstruction, Rehabilitation, Elevation and Mitigation (RREM) Program, the Homeowner Resettlement Program, and housing recovery centers in each of the nine counties most impacted by Superstorm Sandy.

Low-interest loans will be available through the NJRA for nonprofit developers to cover predevelopment costs incurred on or after October 30, 2012. These loans will be awarded to projects that will redevelop unsafe and underutilized properties in the nine most impacted counties - Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union. Properties in foreclosure are also eligible. The loan terms will be for up to three years with a loan award of between \$100,000 and \$500,000. All funds

for predevelopment will be provided to projects in the form of a loan secured by a mortgage on the development site and/or other satisfactory collateral.

“The redevelopment of these properties will support the ongoing efforts to restore and rebuild the economy and vibrancy of impacted communities throughout the state,” said Leslie A. Anderson, NJRA Executive Director. “These funds will support nonprofit developers at the early stages of development to allow nonprofit developers to complete site preparation work as well as work to finalize construction and permanent financing.”

Projects must provide affordable rental housing units. Eligible uses of the loan funds include: project feasibility studies, environmental studies (e.g., Phase I and Phase II), engineering studies, architectural fees, legal fees, site preparation and other soft costs. Non-profit developers must be in good standing with the State of New Jersey per the State’s annual registration process in addition to meeting other Authority requirements.

The Predevelopment Fund is part of the New Jersey Disaster Recovery Action Plan that outlines how the State will utilize \$1,829,520,000 in Community Development Block Grant (CDBG) Disaster Recovery funds provided by the U.S. Department of Housing and Urban Development (HUD).

The New Jersey Redevelopment Authority, a DCA affiliate, is an independent authority committed to revitalizing urban New Jersey. NJRA invests financial and technical resources into redevelopment projects to ensure that projects are urban-focused, neighborhood-based and investment-driven.

NJRA is currently accepting applications for the Predevelopment Fund for Affordable Rental Housing Fund. Nonprofit developers can view the program guidelines and the application online at <http://www.njra.us/njra/site/default.asp>. Developers can call 609-292-3739 for additional information.