

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5879

STATE OF NEW JERSEY

DATED: JUNE 16, 2021

The Assembly Appropriations Committee reports favorably Assembly Bill No. 5879.

This bill appropriates \$20 million to grant loans to developers of certain affordable housing projects which qualified for a credit award through the federal Low Income Housing Tax Credit Program (LIHTC). New Jersey's LIHTC allocation is administered by the Housing and Mortgage Finance Agency (HMFA). The bill also includes a language provision requiring the Executive Director of the HMFA to establish an application process and criteria for determining whether a developer is eligible for a project financing gap loan.

Due to the economic effects of the COVID-19 pandemic, the cost of building materials increased substantially, leaving many affordable housing projects with project financing gaps.

This bill seeks to diminish the financing gap by providing funding to the HMFA to grant loans to projects awarded tax credits pursuant to the federal Low Income Housing Tax Credit program (LIHTC) if the project developer can demonstrate that the developer's project financing gap was caused by the increased cost of building materials

FISCAL IMPACT:

This bill is not certified as requiring a fiscal note.