

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5900

STATE OF NEW JERSEY

DATED: DECEMBER 20, 2023

The Assembly Housing Committee reports favorably Assembly Bill No. 5900.

This bill authorizes the New Jersey Housing and Mortgage Finance Agency (HMFA) to issue project financing tax credits to support the development of certain housing projects.

Under the bill, the uncommitted portion of tax credits otherwise authorized to be awarded by the New Jersey Economic Development Authority under the Community-Anchored Development Program are to be annually reallocated to the HMFA to support the purposes set forth in this bill.

Specifically, the bill permits the HMFA to award project financing tax credits to the developers of certain qualified projects that: (1) have received a four-percent federal low income housing tax credit (LIHTC) when the total demand for nine-percent LIHTC exceeds the total value available for distribution; and (2) have a project financing gap demonstrated by the developer at the time of application. The total tax credit award is not to exceed the lesser of: (1) the amount necessary to ensure that the qualified project receives a total subsidy in an amount equivalent to the receipt of a nine-percent LIHTC for the qualified project; or (2) the amount of the project financing gap for a qualified project.

The bill provides that the HMFA may award some or all of these tax credits as part of an existing program operated by the HMFA or through the establishment of a new program to effectuate the provisions of this bill. The bill also provides that certain of these tax credits may be sold or transferred by the recipient, subject to certain restrictions specified in the bill.