

**CERTIFICATE OF SECRETARY**

**NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY**

I, Eileen Hawes, Chief Financial Officer, hereby certify that I am the Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, and as the Assistant Secretary, I certify that the attached copy of the proceedings of the Board Meeting of the New Jersey Housing and Mortgage Finance Agency is a true and correct copy of the minutes of the November 25, 2008 meeting of the Agency.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the New Jersey Housing and Mortgage Finance Agency this 25<sup>th</sup> day of November 2008.



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Eileen Hawes, Assistant Secretary  
New Jersey Housing and Mortgage Finance Agency

**FINAL**

**MINUTES OF THE 326<sup>TH</sup> BOARD MEETING  
OF THE  
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

**MEMBERS:**

- \* Robert Romano, Assistant Attorney General  
(representing Anne Milgram, Attorney General)
- \*\* Steve Petrecca, Assistant Manager, Office of the State Treasurer  
(representing R. David Rousseau, State Treasurer)
- \*\*\* Thomas Hunt, Assistant Director, Office of Consumer Finance, Department of Banking and Insurance (representing Steven Goldman, Commissioner, Department of Banking and Insurance)
- \*\*\*\* Patti Holland, Assistant Director, Office of Housing and Community Development  
(representing Jennifer Velez, Commissioner, Department of Human Services)  
Patrick Sheehan  
Dorothy Blakeslee

**OFFICIALS  
PRESENT:**

Marge Della Vecchia, Executive Director  
Tracee Battis, Chief of Programs  
Eileen Hawes, Chief Financial Officer  
Leslie S. Lefkowitz, Chief of Legal and Regulatory Affairs  
Lenore Rosner, Chief of Operations  
Michael Floyd, Chief of Program Services  
Claudia Lovas, Director of Program Development  
Jerry Keelen, Director, Single Family  
Michael Staton, Director of Multifamily Programs and Credits  
Pam McCrory, Director of Supported Housing and Special Needs  
Jim Peasco, Legal Research Analyst  
John Murray, Director of Multifamily Lending  
Darryl Applegate, Director of Regulatory Affairs  
Tony Cupano, Director of Property Management  
Barbara Geary, Legal Affairs Officer  
Terry Fink, Director of Finance  
Dana Irlbacher, Assistant Director, Single Family Programs  
Jim Hall, Assistant Director of Single Family Programs  
Laura Shea, Director of Housing Affordability Services  
Frank Tucci, General Services Assistant  
Carilyn Willis, Executive Secretary

**OTHERS**

**PRESENT:**

Bob Purcell, Deputy Attorney General  
Maura Tully, Governor's Authority Unit  
Pam Kaithern, Mayor of West Cape May  
Kaleigh Kaithern, West Cape May  
Emaligh Kaithern, West Cape May  
Mike Koessel, CITI

- \* Letter of June 18, 2007 designating Robert Romano to represent the Attorney General
- \*\* Letter of September 9, 2008 designating Steve Petrecca to represent the State Treasurer
- \*\*\* Letter of January 11, 2008, designating Thomas Hunt to represent Steven Goldman, Commissioner, Department of Banking and Insurance
- \*\*\*\* Letter of November 13, 2008 designating Patti Holland, to represent Jennifer Velez, Commissioner, Department of Human Services

**SUNSHINE ACT**

"The New Jersey Housing and Mortgage Finance Agency gave notice of the time, place and date of this meeting by facsimile, regular mail and hand delivery on November 13, 2008 to the Secretary of State of New Jersey, The Star Ledger, The Times, and the Courier Post, and by posting the notice at the office of the Agency in Trenton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Housing and Mortgage Finance Agency in order to hold a session from which the public is excluded."

**SINGLE FAMILY**

**MORTGAGE ASSISTANCE PILOT PROGRAM (MAP) - APPROVAL OF A PROPOSED AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN DCA AND HMFA – ITEM 1A.**

*Robert Romano moved and Steve Petrecca seconded* 1. Authorization for the Executive Director of the Agency, or the Executive Director's designee, to execute Amendment #1 to the Memorandum of Understanding (MOU) signed April 15, 2008 by and between the NJ Department of Community Affairs ("DCA") and the Agency, substantially in the form attached in the Request for Action and in compliance with the terms and conditions set forth therein, amending certain provisions of the MOU regarding the Mortgage Assistance Pilot ("MAP") program.

*Patrick Sheehan arrived at 10:15 a.m.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee*

*Nay-None*

*Abstained-Patrick Sheehan. Mr. Sheehan abstained because he was not present when the Request for Action was read into the minutes.*

**CHOICE 2006 AND 2007- APPROVAL OF AMENDMENT TO THE GUIDELINES – ITEM 1B.**

*Steve Petrecca moved and Dorothy Blakeslee seconded* 1. Approval to change the 30-year Shared Equity Appreciation Deed Restriction from 30 years to a maximum 15 years for CHOICE 2006 and CHOICE 2007 programs. 2. Approval for the Executive Director, in consultation with the Attorney General's Office, to take any action that is necessary to effectuate this change.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*

*Nay-None*

**CHOICE #08-30 – CARPENTER SQUARE – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 1C.**

*Dorothy Blakeslee moved and Patrick Sheehan seconded* 1. Approval of a financing commitment under the Choices in Home Ownership Incentives Created for Everyone ("CHOICE") Program, upon the terms and conditions set forth in the Request for Action, for a construction loan in the estimated amount of \$1,109,000 and a CHOICE Subsidy allocation in an amount not to exceed \$1,800,000 to Saint Joseph's Carpenter Society (the "Sponsor") or an entity to be formed by the Sponsor for the construction and completion of the project. 2. Authorization to provide 100% financing, subject to program availability, through our 100% Financing Mortgage Program for 18 end mortgage loans to qualified purchasers of units in the Project, at the terms and conditions set forth in the Request for Action. 3. Authorization for the Executive Director, in consultation with the Attorney General's Office, to take any action under the Intercreditor Agreement or CHOICE program documents that is necessary to protect the Agency's financial interest in the construction loan and CHOICE Subsidy allocation.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*

*Nay-None*

CHOICE #08-22 – WATERS EDGE- APPROVAL OF A MORTGAGE MODIFICATION – ITEM 1D.

*Dorothy Blakeslee moved and Steve Petrecca seconded* 1. Approval to revise the scope of this original 48-unit project to result in a 10-unit project. 2. Approval of a revised financing commitment under the Choices in Home Ownership Incentives Created for Everyone (“CHOICE”) Program, upon the terms and conditions set forth in the Request for Action, for a construction loan in the estimated amount of \$610,300 and a CHOICE Subsidy allocation in an amount not to exceed \$900,000 to Waters Edge, LLC (the “Sponsor”) or an entity to be formed by the Sponsor for the construction and completion of the project. 3. Authorization, in conjunction with the modification, to provide 100% financing, subject to program availability, through our 100% Financing Mortgage Program for 10 end mortgage loans to qualified purchasers of units in the Project, at the terms and conditions set forth in the Request for Action. 4. Approval for the Executive Director, in consultation with the Attorney General’s Office, to take any action that is necessary to effectuate this transaction.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*  
*Nay-None*

NMTC #1 – FAIRVIEW VILLAGE III – APPROVAL OF A MORTGAGE MODIFICATION – ITEM 1E.

*Robert Romano moved and Steve Petrecca seconded* 1. Approval to modify the unit mix from 40 units to 43 units of housing. 2. Approval to revise the project budget. 3. Approval for the Executive Director, in consultation with the Attorney General’s Office, to take any action that is necessary to effectuate this transaction.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*  
*Nay-None*

MULTI-FAMILY

SMALL RENTAL PROJECT LOAN GUIDELINES – APPROVAL OF AN AMENDMENT TO THE GUIDELINES – ITEM 2A.

*Dorothy Blakeslee moved and Patrick Sheehan seconded* 1. Approval to amend the language to the Small Rental Project Loan Subsidy Program to allow secondary mortgage financing subsidy to be increased to \$50,000 per unit if the developer agrees to INCOME restrict units up to 80% of median income under the Home Express Program or other available subsidy. The current guidelines state the subsidy comes exclusively from the Home Express Program and therefore needs to be revised.

*Vice-Chair Thomas Hunt clarified that the change to the Program was to allow sources in addition to Home Express dollars to be used to provide the subsidy funding for the income restricted units.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*  
*Nay-None*

HMFA #1443 – GROVE STREET SENIOR HOUSING – APPROVAL OF A MORTGAGE FINANCING EXTENSION – ITEM 2B.

*Steve Petrecca moved and Robert Romano seconded* 1. Approval of an extension of a mortgage commitment for construction and permanent financing for a project known as Grove Street Senior Housing, HMFA #1443. This commitment extension will expire on February 28, 2009. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in her sole discretion. All other terms and conditions of the request for action dated October 18, 2007 regarding this project shall remain the same.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan*  
*Nay-None*

HMFA #02325 – 450 OCEAN AVENUE – APPROVAL OF A DECLARATION OF INTENT – ITEM 2C.

*Dorothy Blakeslee moved and Patti Holland seconded 1.* Approval of a “Declaration of Intent” stating the intention of the Agency to fund a project known as 450 Ocean Avenue, HMFA #02325, from the Small Rental Project Loan Program Subsidy in an estimated amount of \$735,000 in permanent financing by way of a first mortgage loan.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

HMFA #02368 - 1077 ELIZABETH AVENUE – APPROVAL OF A DECLARATION OF INTENT – ITEM 2D.

*Robert Romano moved and Patrick Sheehan seconded 1.* Approval of a “Declaration of Intent” stating the intention of the Agency to fund a project known 1077 Elizabeth Avenue, HMFA #02368, from the Small Rental Project Loan Program Subsidy in an estimated amount of \$371,500 in permanent financing by way of a first mortgage loan.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

HMFA#1454/SNHTF #33- EWING INDEPENDENT LIVING- APPROVAL OF A FIFTH MORTGAGE COMMITMENT- ITEM 2E.

*Dorothy Blakeslee moved and Patrick Sheehan seconded 1.* Approval of a fifth mortgage commitment for an estimated \$219,000 in construction and permanent financing from the Special Needs Revolving Loan Program for a project known as Ewing Independent Living, HMFA #1454 / SNHTF #33, upon the terms and conditions set forth in the Request for Action.

*Board Member Dorothy Blakeslee inquired as to the reasons for the delays. Michael Staton answered that the delays were with regard to the other funding sources. He stated that the developer started construction without the other funding commitments in place. He added that the tax credit equity of .91 cents on the dollar is remarkable in this economy and that HMFA staff is using their best efforts to get the project closed by the end of the year to ensure receipt of the tax credit equity at this level.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

SUPPORTIVE HOUSING SPECIAL NEEDS HOUSING TRUST FUND

HMFA #02184/SNHTF #176 - WHISPERING WATERS APARTMENTS PHASE I – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 3A.

*Patti Holland moved and Dorothy Blakeslee seconded 1.* Approval of a mortgage commitment for an estimated \$1,200,000 in construction and permanent financing from the Special Needs Housing Trust Fund for a project known as Whispering Waters Apartments - Phase I, HMFA #02184 / SNHTF #176, upon the terms and conditions set forth in the Request for Action.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

HMFA #02470/SNHTF #184 – CAPE MANOR SUPPORTIVE HOUSING – APPROVAL OF A DECLARATION OF INTENT – ITEM 3B.

*Dorothy Blakeslee moved and Steve Petrecca seconded* 1. Approval of a "Declaration of Intent" stating the intention of the Agency to fund in an estimated amount of \$1,150,000 in construction and permanent financing from the Special Needs Housing Trust Fund or any other funds available to the Agency for a project known as West Cape May Supportive Housing, HMFA #02470, SNHTF #184 upon the terms and conditions set forth in the Request for Action.

*West Cape May Mayor Pam Kaithern addressed the Board. She thanked the Board for their support of the project. She stated that this project will serve an area greater than West Cape May. She also stated that projects such as Cape Manor help to alleviate concerns of parents with special needs children by providing supportive housing for the children as they age.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

CAPITAL MARKETS

APPROVAL OF THE SELECTION OF AN ARBITRAGE REBATE CALCULATION SERVICE PROVIDER – ITEM 4A.

*Steve Petrecca moved and Dorothy Blakeslee seconded* 1. Authorization to appoint Bond Logistix, LLC as the Agency's provider of arbitrage rebate calculation services relating to the Agency's tax-exempt bond issues. 2. Authorization for the Executive Director, the Chief of Programs, the Chief Financial Officer, the Chief of Operations, the Chief of Program Services or the Chief of Legal and Regulatory Affairs to execute contracts with Bond Logistix, LLC to perform arbitrage rebate calculations for a period of three years with the Agency's option to extend the contracts for two (2) additional one (1) year terms.

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

OTHER

APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN DCA AND HMFA WITH REGARD TO FUNDING THE URBAN PROJECTS FUND – ITEM 5A.

*Patrick Sheehan moved and Steve Petrecca seconded* 1. Approval for the Executive Director to enter into a Memorandum of Understanding with the Department of Community Affairs, in substantial form as attached hereto, in which HMFA will make advances to the Urban Housing Assistance Fund to assist housing projects located in urban areas. 2. Approval for the Executive Director, the Chief of Programs or Chief Financial Officer to authorize advances to the Urban Housing Assistance Fund from the financing available to HMFA under the Advances, Collateral Pledge and Security Agreement dated March 15, 1994 between HMFA and the Federal Home Loan Bank of New York, funds from the HMFA General Fund or any other financing available to HMFA.

*Board Member Robert Romano asked if there were limits on the amount of money being transferred to DCA. Tracee Battis answered that at this time we are proposing to use the funding from the HMFA Federal Home Loan Bank line of credit which is approximately \$5 million. In the event that other sources of Agency funding are used staff will return to the Board for approval.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

## OTHER BUSINESS

### STRATEGIC ZONE LENDING POOL – APPROVAL OF ADDITIONAL FUNDS – ITEM 7A.

*Robert Romano moved and Steve Petrecca seconded 1. Approval of the recapture of \$3,520,000 million in funds from the City Living Program and the re allocation of the \$3,520,000 million to the Strategic Zone Lending Pool (SZL).*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

## REGULATORY AFFAIRS

### APPROVAL OF A RULE MAKING CALENDAR – ITEM 6A.

*Robert Romano moved and Steve Petrecca seconded 1. Approval of the inclusion of proposed amendments to the low-income housing tax credit qualified allocation plan (“QAP”) in the Agency’s First Quarter, 2009 rulemaking calendar. 2. Approval of the rulemaking calendar for publication in the January 5, 2009 New Jersey Register. 3. Authorization for the Executive Director and Administrative Practice Officer, in consultation with the Attorney General’s office, to prepare, and for the Executive Director or any Chief to execute, any and all documents necessary to effectuate publication of the quarterly rulemaking calendar in the January 5, 2009 New Jersey Register.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

### ANY NECESSARY BUSINESS THAT MAY COME BEFORE THE BOARD – ITEM 7B.

*Executive Director Marge Della Vecchia addressed the Board with regard to the workouts that are coming before the Board. She stated that these workouts are reflective of the market. She added that HMFA staff will continue their mission of moving affordable housing forward which may involve workouts of previously approved financing commitments.*

*Ms. Della Vecchia introduced two new HMFA directors- Robert Sasso, Director of Property Management and Laura Shea, Director of Housing Affordability Services.*

*Ms. Della Vecchia advised the Board that HMFA received two NCSHA awards- the first for HMFA's Youth Initiatives and the second for the HMFA's 2007 Annual Report.*

*She provided the Board with a status of the "Live Where You Work Program" stating that there are 6 municipalities participating in the Program and many more in the pipeline. She introduced staff person Ed Collins who is heading the Program.*

*Finally, Ms. Della Vecchia provided the Board with the recently created Foreclosure Fast Facts- information sheet which includes many helpful resources for families who may be facing foreclosure or other financial problems.*



**APPROVAL OF MINUTES**

**APPROVAL OF THE MINUTES OF THE AGENCY'S BOARD MEETING HELD NOVEMBER 25, 2008 IN SUBSTANTIALLY FINAL FORM - ITEM 8A.**

*Dorothy Blakeslee moved and Robert Romano seconded approval of the minutes of the Agency's Board Meeting held November 25, 2008 in substantially final form.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*

**MOTION TO ADJOURN**

*Robert Romano moved and Steve Petrecca seconded motion to adjourn at 11:00 a.m.*

*Aye-Thomas Hunt, Robert Romano, Steve Petrecca, Patti Holland, Dorothy Blakeslee, Patrick Sheehan  
Nay-None*



**State of New Jersey**  
OFFICE OF THE ATTORNEY GENERAL  
DEPARTMENT OF LAW AND PUBLIC SAFETY  
PO Box 080  
TRENTON NJ 08625-0080

JON S. CORZINE  
*Governor*

STUART RABNER  
*Attorney General*

June 18, 2007

Honorable Susan Bass Levin, Commissioner  
Department of Community Affairs  
New Jersey Housing and Mortgage Finance Agency  
P.O. Box 800  
Trenton, NJ 08625-0800

Dear Commissioner Levin:

I hereby designate Robert Romano, Assistant Attorney General, to represent me in my absence at the meetings of the New Jersey Housing and Mortgage Finance Agency. In the event of AAG Romano's absence, Deputy Attorney General Susan Fischer is authorized to vote in my stead and to otherwise act on my behalf.

Very truly yours,

Stuart Rabner  
Attorney General

sav

c: Nina Wells, Secretary of State  
Robert Romano, Assistant Attorney General  
Susan Fischer, Deputy Attorney General





**State of New Jersey**  
OFFICE OF THE STATE TREASURER  
PO Box 002  
TRENTON NJ 08625-0002

JON S. CORZINE  
*Governor*

R. DAVID ROUSSEAU  
*State Treasurer*

September 9, 2008

Marge DellaVecchia, Executive Director  
NJ Housing and Mortgage Finance Agency  
637 South Clinton Avenue  
PO Box 18550  
Trenton, NJ 08650

Dear Ms. DellaVecchia:

I hereby designate Steve Petrecca, Department of Treasury to act as my designee at all the meetings of the New Jersey Housing and Mortgage Finance Agency.

Sincerely,

A handwritten signature in black ink, appearing to read "R. David Rousseau".

R. David Rousseau  
State Treasurer



State of New Jersey  
DEPARTMENT OF BANKING AND INSURANCE  
OFFICE OF THE COMMISSIONER  
PO BOX 325  
TRENTON, NJ 08625-0325  
TEL (609) 292-5360

JON S. CORZINE  
Governor

STEVEN M. GOLDMAN  
Commissioner

January 11, 2008

Marge Della Vecchia  
Executive Director  
NJ Housing and Mortgage Finance Agency  
637 South Clinton Avenue - PO Box 18550  
Trenton, NJ 08650

Re: '2008' NJHMFA Board Meetings

Dear Ms. Della Vecchia:

Thomas Hunt, Assistant Director, Office of Consumer Finance of the Department's Banking Division, has been authorized to be my designee, with voting power, for the 312<sup>th</sup> Board meeting on January 17 and all 2008 subsequent meetings of the NJHMFA.

If you have any questions or need additional information, please call Mr. Hunt at (609) 292-5360, ext. 50223.

Very truly yours,

  
STEVEN M. GOLDMAN  
Commissioner

c: Thomas Hunt  
Assistant Director, Office of Consumer Finance

Terry McEwen  
Director, Division of Banking

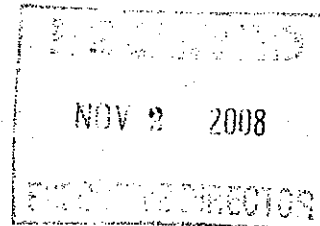


**State of New Jersey**  
DEPARTMENT OF HUMAN SERVICES  
PO Box 700  
TRENTON NJ 08625-0700

**JON S. CORZINE**  
*Governor*

**JENNIFER VELEZ**  
*Commissioner*

November 13, 2008



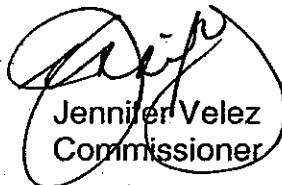
Marge Della Vecchia, Executive Director  
NJ Housing and Mortgage Finance Agency  
637 South Clinton Avenue  
Trenton, NJ 08650-2085

Dear Ms. Della Vecchia:

Please be advised that Patti Holland, Assistant Director, Office of Housing, Policy and Program Development, Division of Mental Health Services, has been chosen as the Department's representative for board meetings of the New Jersey Housing and Mortgage Finance Agency. In her absence Dan Bachalis will be her designee and will have full authority to represent and take action on matters related to the Department of Human Services.

We appreciate the opportunity to participate in meetings of the HMFA Board and look forward to continuing to promote affordable housing needs for our citizens.

Sincerely,



Jennifer Velez  
Commissioner

JV:3:sig  
c: Kevin Martone  
Patti Holland  
Dan Bachalis