

CERTIFICATE OF SECRETARY

NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

I, Marge Della Vecchia, Executive Director hereby certify that I am the Secretary of the New Jersey Housing and Mortgage Finance Agency, and as the 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 June 19, 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 19th day of June 2008.



Marge M. Della Vecchia, Secretary
New Jersey Housing and Mortgage Finance Agency

FINAL

**MINUTES OF THE 318TH BOARD MEETING
OF THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

MEMBERS:

- Joseph Doria, Commissioner, DCA
- * Robert Romano, Assistant Attorney General
(representing Anne Milgram, Attorney General)
- ** Hannah Shostack, Assistant State Treasurer, 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)
- **** Dan Bachalis, Chief, Community Capital Unit, Division of Mental Health Services
(representing Jennifer Velez, Commissioner, Department of Human Services)
Monsignor William Linder
Patrick Sheehan

OFFICIALS

PRESENT:

Marge Della Vecchia, Executive Director
Tracee Battis, Chief of Programs
Eileen Hawes, Chief Financial Officer
Leslie Lefkowitz, Chief of Legal and Regulatory Affairs
Lenore Rosner, Chief of Operations
Michael Floyd, Chief of Program Services
Claudia Lovas, Director of Program Development
John Murray, Director of Multifamily Lending
Jerry Keelen, Director, Single Family
Michael Staton, Director of Multifamily Programs and Credits
Pam McCrory, Director of Supported Housing and Special Needs
Todd Evans, Director of Finance
Terry Fink, Director of Finance
Darryl Applegate, Director of Regulatory Affairs
Tony Cupano, Director of Property Management
Bob Huether, Assistant Director of Program Development
Jim Peasco, Legal Research Analyst
Harry Stevens, General Services Assist
Carilyn Willis, Executive Secretary

OTHERS
PRESENT:

Robert Shaughnessy, Deputy Attorney General
Laura Shea, Deputy Attorney General
Sonia Fronter, Governors Authority Unit
James Dugan, Department of Community Affairs
Warren King, P&F Management
Gary Backenoff

- * Letter of June 18, 2007 designating Robert Romano to represent the Attorney General
- ** Letter of May 9, 2008 designating Hannah Shostack 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 June 2, 2008 designating Dan Bachalis to represent Jennifer Velez, Commissioner of 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 June 4, 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

SOUTHWEST VILLAGE II PROJECT - APPROVAL TO PROVIDE 100% END LOAN FINANCING – ITEM 1A.

Thomas Hunt moved and Monsignor Linder seconded 1. Approval of 100% Financing Program funding for the project known as Southwest Village II Project, subject to funding availability, for 26 end mortgage loans to qualified purchasers of units in the Project, at the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

SMART START PROGRAM – APPROVAL TO REVISE THE PROGRAM – ITEM 1B.

Monsignor Linder moved and Patrick Sheehan seconded 1. Authorization to revise the Smart Start/Work Force Downpayment Program Guidelines to require that all borrowers electing Smart Start funding be charged a higher rate on their first mortgage to offset the cost to the Agency of funding the Smart Start second mortgage loans.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

LIVE WHERE YOU WORK – APPROVAL OF ALLOCATION OF GENERAL FUNDS – ITEM 1C.

Monsignor Linder moved and Thomas Hunt seconded 1. Authorization to set-aside an allocation of \$1,000,000 in General Funds to fund Live Where You Work Program loans.

Chair Doria stated that Live Where You Work is a very good, worthwhile program that was just recently initiated.

Marge DellaVecchia added that there are signed agreements with Trenton, Jersey City, Woodbridge, Rahway, Morristown and Elizabeth. And we are working with them to create brochures, websites etc. Currently in the pipeline are Bayonne, Camden, Cherry Hill, Neptune, New Brunswick, Pemberton, Newark, South Orange, Paterson, Passaic and Long Branch.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HOME BUYER SELLERS GUIDE – APPROVAL OF REVISIONS – ITEM 1D.

Thomas Hunt moved and Patrick Sheehan 1. Authorization to amend the Sellers Guide to reflect certain clarifications of existing guidelines and add a new section providing guidance on eligibility for permanent and non-permanent residents.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

CHOICE #08-31 - THE MONARCH – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 1E.

Robert Romano 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 below, for a construction loan in the estimated amount of \$5,073,919 to Dornoch Plainfield, LLC (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 3 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-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

MULTI-FAMILY

HMFA #02393 – PATRIOT’S COVE – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 2A.

Dan Bachalis moved and Robert Romano seconded 1. Approval of a mortgage commitment for an estimated \$4,850,000 in permanent financing for a project known as Patriot’s Cove, HMFA #2393, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #01378 – DON VER APARTMENTS – APPROVAL OF A MORTGAGE FINANCING EXTENSION OF THE RECOMMITMENT – ITEM 2B.

Thomas Hunt moved and Patrick Sheehan seconded 1. Approval of an extension of a mortgage recommitment in the amount of \$434,684 for permanent financing from the sale of taxable bonds or other funds available to the Agency for a project known as Don Ver Apartments, HMFA #01378. This recommitment extension will expire on December 31, 2008. The Executive Director is authorized to extend the recommitment 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 May 18, 2006 regarding this project shall remain the same.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #02135 – GLOUCESTER TOWNSHIP SENIOR CAMPUS – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 2C.

Patrick Sheehan moved and Hannah Shostack seconded 1. Approval of a mortgage recommitment for an estimated \$876,000 in permanent financing for a project known as Gloucester Township Senior Campus, HMFA #02135, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #02286 – BERRY STREET COMMONS – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 2D.

Thomas Hunt moved and Hannah Shostack seconded 1. Approval of a mortgage recommitment for an estimated \$3,330,000 in permanent financing for a project known as Berry Street Commons, HMFA #02286, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #02279 – TANYARD OAKS – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 2E.

Monsignor Linder moved and Patrick Sheehan seconded 1. Approval of a mortgage recommitment for an estimated \$1,068,000 in permanent financing for a project known as Tanyard Oaks, HMFA #02279, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #01476 – BAYONNE COMMUNITY ACTION PROJECT, INC. - APPROVAL OF A FINANCING RECOMMITMENT – ITEM 2F.

Robert Romano moved and Thomas Hunt seconded 1. Approval of a mortgage recommitment for an estimated \$984,353 in permanent financing for a project known as Bayonne Community Action Project, HMFA #04176, upon terms and conditions set forth in the Request for Action. 2. Approval of an HMFA subsidy mortgage commitment for an estimated \$270,000 in permanent financing for a project known as Bayonne Community Action Project, HMFA #01476, upon the terms and conditions set forth in the Request for Action.

Aye-Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder, Patrick Sheehan
Nay-None
Abstained- Joseph Doria

HMFA #1382 – RIVERWALK SENIOR APARTMENTS – APPROVAL OF A MORTGAGE FINANCING COMMITMENT EXTENSION – ITEM 2G.

Monsignor Linder moved and Thomas Hunt seconded 1. Approval of an extension of a mortgage commitment for permanent financing in the amount of \$1,198,148 from the sale of taxable bonds or other funds available to the Agency for a project known as Riverwalk Senior Apartments, HMFA #1382. This commitment will expire on September 30, 2008. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in their sole discretion. All other terms and conditions of the request for action dated April 12, 2004 regarding this project shall remain the same.

Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None

HMFA #1352 – KING PLAZA APARTMENTS – APPROVAL OF A MORTGAGE FINANCING EXTENSION – ITEM 2H.

Patrick Sheehan moved and Hannah Shostack seconded 1. Approval of an extension of a mortgage commitment for permanent financing in the estimated amount of \$8,574,138 from the sale of taxable bonds or other funds available to the Agency for a project known as King Plaza Apartments, HMFA #1352. This commitment will expire on September 30, 2008. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in their sole discretion. All other terms and conditions of the request for action dated December 15, 2005 regarding this project shall remain the same. 2. Approval of an extension of a mortgage commitment for permanent financing in the estimated amount of \$2,000,000 from the Affordable Rental Housing Subsidy Loan Program or other funds available to the Agency for a project known as King Plaza Apartments, HMFA #1352. This commitment will expire on September 30, 2008. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in their sole discretion. All other terms and conditions of the request for action dated December 15, 2005 regarding this project shall remain the same. 3. Approval of an extension of a mortgage commitment for permanent financing in the estimated amount of \$2,666,636 from the New Jersey Urban Site Acquisition Program or other funds available to the Agency for a project known as King Plaza Apartments, HMFA #1352. This commitment will expire on September 30, 2008. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in their sole discretion. All other terms and conditions of the request for action dated December 15, 2005 regarding this project shall remain the same.

Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None

HMFA #1437/CBVI #1/SNHTF #8 – TRENTON PROSPECT HOUSE – APPROVAL OF A MORTGAGE FINANCING COMMITMENT AND RECOMMITMENT – ITEM 2I.

Dan Bachalis moved and Hannah Shostack seconded 1. Approval of a mortgage recommitment for permanent financing from the sale of taxable bonds or other funds available to the Agency for a project known as Trenton Prospect House, HMFA #1437/CBVI #1/SNHTF #8. This commitment extension will expire on September 30, 2008. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in her sole discretion. 2. Approval of a mortgage commitment in an amount not to exceed \$300,000 in permanent financing from the Special Needs Revolving Loan Program for a project known as Trenton Prospect House, HMFA #1437/CBVI #1/SNHTF #8. 3. Approval of an amendment to closing condition #9 of the previous commitment dated December 15, 2005.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

SPECIAL NEEDS

HMFA #02151/SNRLP #3 – INTEGRITY WOMEN’S PROGRAM HOUSING – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 3A.

Thomas Hunt moved and Dan Bachalis seconded 1. Approval of a mortgage commitment for an estimated \$600,000 in construction and permanent financing from the Special Needs Revolving Loan Program for a project known as Integrity Women’s Program Housing, HMFA #02151 / SNRLP #3, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

SPECIAL NEEDS HOUSING TRUST FUNDS

HMFA #02314/SNHTF #116 – BURLINGTON SUPPORTIVE HOUSING I – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 4A.

Patrick Sheehan moved and Thomas Hunt seconded 1. Approval of a mortgage commitment for an estimated \$256,000 in construction and permanent financing from the Special Needs Housing Trust Fund, or other funds available to the Agency, for a project known as Burlington Supportive Housing I HMFA #02314 / SNHTF #116, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

HMFA #02388/SNHTF #153 – LINKS II – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 4B.

Thomas Hunt moved and Robert Romano seconded 1. Approval of a mortgage commitment for an estimated \$179,000 in construction and permanent financing from the Special Needs Housing Trust Fund, or other funds available to the Agency, for a project known as Links II, HMFA #02388 / SNHTF #153, upon the terms and conditions set forth in the Request for Action.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

HMFA #02338/SNHTF #129 – MOORESTOWN SUPPORTIVE HOUSING I – APPROVAL OF A DECLARATION OF INTENT – ITEM 4C.

Dan Bachalis moved and Hannah Shostack seconded 1. Approval of a “Declaration of Intent” stating the intention of the Agency to fund a project known as Moorestown Supportive Housing I, HMFA #02338 / SNHTF #129, from the Special Needs Housing Trust Fund in an estimated amount of \$486,000 in construction and permanent financing to be secured by a first or subordinate mortgage. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy has not yet been determined. This approval does not obligate the Agency to take any further consideration in connection with this project. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

PRESERVATION

HMFA #651-2 – ARCHITECT’S HOUSING – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 5A.

Patrick Sheehan moved and Monsignor Linder seconded 1. Approval of a mortgage commitment for an estimated \$4,100,000 in permanent financing for a project known as Architects Housing, HMFA #651-2, upon the terms and conditions set forth in the Request for Action. This commitment will replace the prior commitment dated January 17, 2008. 2. Approval of a second mortgage subsidy loan commitment for an estimated \$2,000,000 in permanent financing from the Agency’s General Fund or any other funds available to the Agency for a project known as Architects Housing, HMFA #651-2 upon the terms and conditions set forth in the Request for Action. 3. Approval to insure the mortgage for the project pursuant to the Housing Finance Agency Risk Sharing program offered by the U.S. Department of Housing and Urban Development (HUD). The mortgage loan to be insured shall be in an amount currently estimated at \$4,100,000 for a term of 40 years. The Agency shall assume 10% of the risk of any loss due to mortgage default and the Federal Housing Administration shall assume 90% of any loss. 4. Approval to prepay the Agency’s first mortgage loan (the “Agency mortgage”). 5. Approval of a waiver of the Agency’s Transfer of Ownership Interest, Required Payment and Prepayments Regulation at N.J.A.C. 5:80-5.9 (a) (1), pursuant to N.J.A.C.5:80-19.1, to preserve the long term affordability of the project.

Chair Doria asked why the tax credits were lifted and is there a problem with the tax credits.

John Murray responded that the investor, the Richman Group, basically left the market but advised Agency staff that they would possibly be back in the last quarter of this year. The project sponsor could not find another investor because they are a single asset non-profit that doesn't have a substantial balance sheet, which concerns investors.

Marge Della Vecchia added that staff has strong confidence in the project, its long-standing history in Trenton and its commitment of its Board. And even though it's a small non-profit, it is a strong and stable one. The building is located in Trenton across from the NJN building in Mill Hill.

Chair Doria asked if the credits were lost. Mr. Murray answered that the credits were 4 percent credits and therefore not lost.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

HMFA #529-2 - COURT TOWERS -- APPROVAL OF A DECLARATION OF INTENT -- ITEM 5B.

Patrick Sheehan moved and Thomas Hunt seconded 1. Approval of a "Declaration of Intent" stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$13,848,665 in construction and permanent financing for a project known as Court Towers, HMFA #529-2, upon the terms and conditions set forth in the Request for Action. Approval of this "Declaration of Intent" will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this action, the Board expresses its present consideration to issue bonds for this project. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any action to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This consideration for a Declaration of Intent is not intended to give this project any preference over any other project financing. 2. Approval of the assumption of the existing Agency financing by the Sponsor.

Tom Hunt asked about the physical relationship of the existing building and the remediation site. And asked if there was any way to spin off the remediation site.

Mr. Murray answered that the remediation site is actually the parking lot and if HMFA proceeds with the subdivision the remediation site would be subdivided off.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

POLICY AND COMMUNITY DEVELOPMENT

MACARTHUR GRANT - APPROVAL TO RATIFY ACCEPTANCE OF THE GRANT AWARD – ITEM 6A.

Monsignor Linder moved and Thomas Hunt seconded 1. Ratification of the Agency's prior application for, and acceptance of, a grant in the amount of \$170,500 (the "Foundation Grant") from the John D. and Catherine T. MacArthur Foundation (the "Foundation") and the expenditure of a portion of the funds received pursuant thereto in furtherance of the Agency's Affordable Housing Preservation Initiative. 2. Approval of an agreement to be entered into between the Agency and The Reinvestment Fund ("TRF") for affordable housing preservation research, the Agency's financial obligation thereunder to be satisfied with substantially all the remaining funds received from the Foundation Grant. 3. Authorization for the Executive Director, or her designee(s), to enter into any agreements or take such other action as may be necessary or efficacious to carry out the intentment of the Foundation Grant.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*
Nay-None

FINANCE

APPROVAL TO AMEND THE MULTIFAMILY SERIES RESOLUTION – ITEM 7A.

Robert Romano moved and Thomas Hunt seconded 1. Approval of the New Jersey Housing and Mortgage Finance Agency Second Supplemental Resolution Amending and Supplementing the Multi-Resolution Series Resolution of the New Jersey Housing and Mortgage Finance Agency Adopted March 20, 2008 Authorizing the Issuance of Not To Exceed \$500,000,000 New Jersey Housing and Mortgage Finance Agency Multi-Family Revenue Bonds 2008 Series (AMT), 2008 Series (Non-AMT), 2008 Series (Federally Taxable) as Supplemented by the Supplemental Resolution Adopted May 15, 2008 (the "Second Supplemental Resolution").

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*
Nay-None

APPROVAL TO APPOINT DOROTHY BLAKESLEE TO THE AGENCY'S FINANCE AND AUDIT SUBCOMMITTEE – ITEM 7B.

Monsignor Linder moved and Patrick Sheehan seconded 1. Appoint Dorothy Blakeslee, Public Member, to the Agency's Finance and Audit Subcommittee.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*
Nay-None

PORTFOLIO DISPOSITION

HMFA #217 – KUZURI KIJJI – APPROVAL OF A LOAN FROM THE AGENCY'S GENERAL FUND – ITEM 8A.

Patrick Sheehan moved and Thomas Hunt seconded 1. Approval of a loan in an amount not to exceed \$55,000 in Administrative funds for a project known as Kuzuri Kijji, HMFA #217, to pay unpaid critical vendors.

Chair Doria asked that even with the additional monies how will there be adequate funding to make up the losses. Not only with PSE&G but in other outstanding claims.

Ms. DellaVecchia answered that the Agency will make the payments to the critical vendors and work with the managing agent.

Chair Doria asked if the rents were sufficient to cover the operations.

Michael Floyd stated that the project has a break-even budget but with deferred maintenance it has turned out to be a negative budget. The rents are very low, meaning about \$500 for the one bedroom up to about \$800 for the four-bedroom and approximately 147 of the units receive Section 8 assistance, but the remaining do not have any rental assistance and so the tenants have to carry the full weight. It has been hard to raise rents and still have occupancy at a realistic level. He added that this is a project that may need additional soft debt from the Agency.

Chair Doria asked if this is related to the inability on the part of the present management to do the job properly.

Ms. DellaVecchia answered that staff feels that the project would do better with more professional management.

Chair Doria asked why staff has not put the professional management in.

Ms. Della Vecchia answered that the building owner has the authority and ability to hire their own management company.

Chair Doria asked if the project has been paying their mortgage.

Mr. Floyd answered that the project had been paying the mortgage but recently they have not because of the cash flow and prioritizing the payment.

Ms. Della Vecchia stated that this is a classic case of a well-intentioned not-for-profit organization that is running and managing the building. She added that staff believes that we can create a payment plan and try and turn this project around. Rents have been raised between 5 and 10 percent annually and that is definitely not enough. Staff has met with other entities that have approached the Agency to look at the property to consider acquiring it and repositioning it. This would involve a sale and refinancing, and the addition of tax credits.

Chair Doria inquired as to the status of the audits.

Mr. Floyd answered that the finances are audited annually and they are current. He added today's request is to be a stop gap measure to make sure that PSE&G don't turn off the lights, that critical vendors don't stop serving the property and that we bring management in to restructure the entire operation of the building. The current management has done their best to keep it going.

Chair Doria stated that staff has to follow-through because otherwise the Agency will have to continue to put money into the project.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

EXECUTIVE SESSION

WHEREAS, pursuant to N.J.S.A. 10:4-12 and 10:4-13 of the Open Public Meetings Act, the Agency intends to obtain legal advise from the Attorney General's Office with regard to contract negotiations, litigation, and the disposition of the properties known as HMFA #1219/ASL #3 -Assisted Living of Berlin, HMFA #1220/ASL #4 - Assisted Living of Forked River, and HMFA #1221/ASL #5 - Assisted Living of Vineland and NOW, THEREFORE, be it resolved by the Members of the New Jersey Housing and Mortgage Finance Agency as follows: 1. A closed session shall be held by the Agency for the purposes set forth above. 2. The discussions undertaken at the closed session will be disclosed when the need for confidentiality no longer exists.

Patrick Sheehan moved and Robert Romano seconded a motion to enter into Executive Session at 11:55 a.m.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

RECONVENE TO PUBLIC

Robert Romano moved and Thomas Hunt seconded a motion to reconvene to Public at 12:40 p.m.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

HMFA #1219/ASL #3 - ASSISTED LIVING OF BERLIN, HMFA #1220/ASL #4 – ASSISTED LIVING OF FORKED RIVER AND HMFA #1221/ASL #5 – ASSISTED LIVING OF VINELAND - AUTHORIZATION TO TAKE ANY ACTIONS WITH REGARD TO THE PAYOFF AND DISCHARGE OF THE MORTGAGE LOANS

Patrick Sheehan moved and Monsignor Linder seconded 1. Authorization for the Executive Director, or her designee(s), to negotiate and execute any documents and/or take all such other actions necessary or efficacious to bring about the payoff and discharge of the mortgage loans outstanding on Assisted Living of Vineland (HMFA #1221, ASL #5), Assisted Living of Voorhees (HMFA #1219, ASL #3) and Assisted Living of Forked River (HMFA #1220, ASL #4) projects (collectively, the "Facilities") in an amount she, or her designee(s), shall determine to be in the best interests of the Agency. 2. Waiver of the Agency's regulations on transfer of ownership interests and prepayment at N.J.A.C. 5:80-5.1 et seq. as to the transactions authorized herein, to the extent applicable and this approval and action is to include any discussions and parameters as set forth in Executive Session.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan
Nay-None*

APPROVAL OF MINUTES

APPROVAL OF THE MINUTES OF THE AGENCY'S BOARD MEETING HELD JUNE 19, 2008 IN SUBSTANTIALLY FINAL FORM – ITEM 10A.

Monsignor Linder moved and Patrick Sheehan seconded approval of the minutes of the Agency's Board Meeting held June 19, 2008 in substantially final form.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
Patrick Sheehan*

Nay-None

MOTION TO ADJOURN

Robert Romano moved and Patrick Sheehan seconded a motion to adjourn at 12:43 p.m.

*Aye-Joseph Doria, Robert Romano Hannah Shostack, Dan Bachalis, Thomas Hunt, Monsignor Linder,
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
Attorney

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

May 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 Hannah Shostack, 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. GOLDM.
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 312th 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

ION S. CORZINE
Governor

JENNIFER VELEZ
Commissioner

June 2, 2008

Margè 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 Dan Bachalis, Chief, Community Capital Unit, Division of Mental Health Services, will be the Department's representative to the June 19, 2008 board meeting of the New Jersey Housing and Mortgage Finance Agency in the absence of Mr. Martone and his designee, Patti Holland. Mr. Bachalis has 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,

A handwritten signature in black ink, appearing to read "J. Velez", written over a circular stamp.

Jennifer Velez
Commissioner

c: Kevin Martone
Patti Holland
Dan Bachalis