

**MINUTES OF THE 374TH BOARD MEETING
OF THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

MEMBERS:

- *Charles Richman, Deputy Commissioner, DCA
(representing Richard E. Constable, III, Acting Commissioner, DCA
Richard E. Constable, III, Acting Commissioner, DCA
- ** Susan Fischer, Assistant Attorney General
(representing Jeffrey S. Chiesa, Attorney General)
- *** Robert Romano, Deputy State Treasurer, Department of Treasury
- **** Cathy Boland, Supervising Program Development Specialist, Office of
Treatment and Recovery Support, Division of Mental Health and Addition
Services, Department of Human Services
(representing Jennifer Velez, Commissioner, Department of Human Services)
- Stanley Weeks
- Patricia Mueller

**OFFICIALS
PRESENT:**

- Anthony Marchetta, Executive Director
- Claudia Lovas, Deputy Executive Director and Programs Chief
- Donna Rendeiro, Chief of Administration
- Les Lefkowitz, Chief Counsel
- David Bonomo, Chief Financial Officer
- Michael Floyd, Chief of Property Management and Technical Services
- John Murray, Director of Credit and Business Development
- Michael Staton, Director of Multifamily Programs and Lending
- Jerry Keelen, Director Single Family Programs
- Yirgu Wolde, Assistant Director of Supported Housing and Special Needs
- Theresa Fink, Director of Finance
- Laura Shea, Deputy Chief Counsel
- Darryl Applegate, Director of Regulatory Affairs
- Lisa Kern, Director of Loan Closings
- Bob Huether, Assistant Director of Program Development and Outreach
- Dana Irlbacher, Assistant Director Single Family Programs
- Bruce Blumenthal, Community Development Ombudsman
- Danielle Esser, Policy Research Administrator
- Bob Bonsignore, Project Manager, Single Family Loan Programs Quality Review
- Harry Stevens, General Services Assistant
- Carilyn Willis, Executive Assistant

OTHERS

PRESENT:

Kavin Mistry, Deputy Attorney General
Kerstin Sundstrom, Governor's Authority Unit
Regina Egea, Governor's Authority Unit
Maribeth Wechsler, Obermayer
J. Winter, DDD
T. M. Cank, City Works

- * Letter dated May 15, 2012 designating Charles Richman to represent Richard E. Constable, III, Acting Commissioner, DCA
- ** Letter of April 12, 2011 designating Susan Fischer to represent the Attorney General
- *** Letter of December 10, 2010 designating Robert Romano to represent the State Treasurer, Andrew Sidamon-Eristoff
- **** Letter of July 8, 2011 designating Cathy Boland to represent Jennifer Velez, Commissioner, Department of Human Services

May 16, 2012

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 May 7, 2012 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."

APPROVAL OF MINUTES

APPROVAL OF THE MINUTES OF THE APRIL 12, 2012 MEETING OF THE HMFA BOARD – ITEM 1A.

Patricia Mueller moved and Cathy Boland seconded approval of the Minutes of the April 12, 2012 Meeting of the HMFA Board.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

SINGLE FAMILY

SHORE-EASY – 228 MAIN STREET, LAKEWOOD, OCEAN COUNTY - APPROVAL OF A CONTRACT OF SALE – ITEM 2A.

Robert Romano moved and Stanley Weeks seconded 1. Authorization to extend the date of the contract of sale between Lakewood Development Corporation and the Agency involving the sale of one (1) Agency-owned vacant lot in Lakewood commonly known as 228 Main Street (Block 123, Lot 7) (the "Property") for a sales price of \$285,000. 2. Authorization for the Executive Director and other authorized signatories, in consultation with the Attorney General's Office, to execute a contract of sale and to execute any and all additional documents necessary or desirable to effectuate and complete the sale of the Property.

Chairman Richman provided the Board with background on the Shore-Easy Program. He explained that there was a saturation of boarding and rooming homes in the shore areas that were being used to house persons with mental illness. He added that the Shore-Easy Program is one of the most successful state programs demonstrated by the fact that a 5-year follow-up study showed that 97% of the residents moved from the boarding/rooming homes to more appropriate housing were still residing in that housing.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

MULTIFAMILY

MULTIFAMILY UNDERWRITING GUIDELINES AND FINANCING POLICY – APPROVAL OF AMENDMENTS – ITEM 3A.

PULLED

MULTIFAMILY RENTAL HOUSING PRODUCTION LOAN PROGRAM – APPROVAL TO INCREASE THE PROGRAM FUNDING – ITEM 3B.

Patricia Mueller moved and Cathy Boland seconded 1. Approval to increase the funding for the Multifamily Rental Housing Production Fund by approximately \$18 million through the closing of programs and the de-appropriation and reallocation of monies from previously authorized programs as described in the Request for Action. 2. Authorization for the Executive Director to approve amendments to correct errors in or clarify the Multifamily Rental Housing Production Fund, so long as such amendments do not result in a change in policy or implementation of the program as currently presented. Any amendments that would change the underlying policy or implementation of the program from the form in which it is now presented shall remain subject to Board approval. 3. Authorization for the Executive Director, Chief of Programs, Chief Financial Officer, or Chief of Legal and Regulatory Affairs to execute any and all documents necessary to effectuate the above action, subject to the approval of the Attorney General's office.

Executive Director Anthony Marchetta stated that this was a way to develop much needed affordable housing and provide revenue to the Agency.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

HMFA #02575 – MORGAN VILLAGE – APPROVAL TO AMEND THE FINANCING COMMITMENT – ITEM 3C.

Cathy Boland moved and Stanley Weeks seconded 1. Approval to remove the Return on Equity terms as outlined in the previous board action dated May 19, 2011, and approval to amend the language in Section 42 of the Financing, Deed Restriction and Regulatory Agreement executed at closing on April 20, 2012 to provide that return on equity is not applicable due to the short construction loan term.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

HMFA #02162/SNHTF #206 - ALEXANDER HAMILTON PHASE I- APPROVAL OF A MORTGAGE FINANCING COMMITMENT EXTENSION – ITEM 3D.

Robert Romano moved and Stanley Weeks seconded 1. Approval of an extension 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 Alexander Phase I, HMFA #2162 ("the Project") for an estimated amount of \$2,144,000. This commitment extension will expire on December 31, 2012. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in his sole discretion. All other terms and conditions of the Request for Action dated October 29, 2009 regarding this Project shall remain the same.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

HMFA #02682 – LAUREL OAKS FAMILY APARTMENTS – APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 3E.

Patricia Mueller moved and Cathy Boland seconded 1. Approval of a recommitment for an estimated \$2,122,000 in permanent financing for a project known as Laurel Oaks Family Apartments, HMFA #02682 (the “Project”), upon the terms and conditions set forth in the Request for Action.

Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None

HMFA #02213 – WHISPERING HILLS APARTMENTS - APPROVAL OF A MORTGAGE FINANCING RECOMMITMENT – ITEM 3F.

Stanley Weeks moved and Cathy Boland seconded 1. Approval of a mortgage recommitment for an estimated \$1,436,000 permanent financing for a project known as Whispering Hills Apartments, HMFA #02213 (the “Project”), upon the terms and conditions set forth in the Request for Action.

Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None

HMFA #02747 – LYNDBURST SENIOR RESIDENCE – APPROVAL OF A DECLARATION OF INTENT

Robert Romano moved and Cathy Boland 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 \$9,311,000 in construction financing for a project known as Lyndhurst Senior Residence, HMFA #02747, 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 approval, the Board expresses its present intent 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 approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None

HMFA #02727 – 169-177 CENTRAL AVENUE - APPROVAL OF A DECLARATION OF INTENT – ITEM 3H.
PULLED

SUPPORTIVE HOUSING

HMFA#02664/SNHTF#265 - AIRMONT WOODS – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 4A.

Cathy Boland Moved and Stanley Weeks seconded 1. Approval of a mortgage commitment for an estimated \$924,000 in construction and permanent financing from the Special Needs Housing Trust Fund (“SNHTF”) for a project known as Airmont Woods Supportive Housing, HMFA #02664 /SNHTF #265 (the “Project”), upon the terms and conditions set forth in the Request for Action.

Chairman Richman stated that there is insufficient housing in New Jersey to house residents with developmental disabilities. Out-of-state facilities have therefore been used to provide this housing at 2 times the cost of housing the residents in-state. He added that Airmont Woods will bring these young adults back to New Jersey and near to their families and will result in a 50% savings to the State.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

REGULATORY AFFAIRS

HMFA #374 – UNION GARDENS – APPROVAL OF A SUBORDINATE MORTGAGE – ITEM 5A.

Stanley Weeks moved and Cathy Boland seconded 1. Approval of a subordinate mortgage and recording of same against the Union Gardens project in an amount of \$430,000.00, in connection with funds received from the Affordable Housing Program administered by the Federal Home Loan Bank (“FHLB”).

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

PORTOFOLIO DISPOSITION

HMFA #1154 - STOCKTON STREET APARTMENTS - APPROVAL OF DECLARATION OF DEFAULT – ITEM 6A.

PULLED

7. CAPITAL MARKETS

CONDUIT LOAN PROGRAM - APPROVAL TO APPOINT US BANK AS THE TRUSTEE – ITEM 7A.

Robert Romano moved and Cathy Boland seconded 1. Approval of the appointment of U.S. Bank National Association as Program Trustee for the Agency’s Credit Enhanced Conduit Program for a two-year term.

David Bonomo, HMFA Chief Financial Officer, advised the Board that the two responses received as a result of the RFP processes were comparable and that US Bank was selected based on the fact that they submitted the lowest bid.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

HMFA #02726 – ASBURY PARK GARDENS – APPROVAL OF THE BOND DOCUMENTS –
ITEM 7B.

Patricia Mueller moved and Cathy Boland seconded 1. Approval of the attached “Resolution Authorizing and Directing the Execution, Delivery, Issuance and Sale of the New Jersey Housing and Mortgage Finance Agency’s Multifamily Conduit Revenue Bonds, Series 2012 A (Asbury Park Gardens Housing Project) under the Agency’s Credit Enhanced Conduit Bond Program in a Principal Amount Not to Exceed \$16,000,000 and Authorizing and Approving the Execution and Delivery of a Trust Indenture and Related Instruments; and Authorizing Other Matters in Connection Therewith” (the “Resolution”).

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*

MOTION TO ADJOURN

Robert Romano moved and Cathy Boland seconded a motion to adjourn at 10:45 a.m.

*Aye-Charles Richman, Susan Fischer, Robert Romano, Cathy Boland, Patricia Mueller, Stanley Weeks
Nay-None*



State of New Jersey
DEPARTMENT OF COMMUNITY AFFAIRS
101 SOUTH BROAD STREET
PO Box 800
TRENTON, NJ 08625-0806
(609) 292-6420

CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

RICHARD E. CONSTABLE, III
Acting Commissioner

May 15, 2012

Anthony Marchetta, Executive Director
NJ Housing and Mortgage Finance Agency
PO Box 18550
Trenton, New Jersey 08625

Dear Executive Director Marchetta:

Please accept this letter as formal notification that Deputy Commissioner Charles Richman will represent me at the NJHMFA Board Meeting on May 16, 2012.

If you have any questions, please do not hesitate to call my office.

Sincerely,

Richard E. Constable, III
Acting Commissioner





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

IN DEPARTMENT
 COMMUNITY AFFAIRS
 COMMISSIONER'S OFFICE
 2011 APR 20 PM 2:00

CHRIS CHRISTIE
 Governor
 KIM GUADAGNO
 Lt. Governor

RECEIVED
 APR 20 2011

PAULA T. DOW
 Attorney General

April 12, 2011

Honorable Lori Grifa
 Commissioner
 Department of Community Affairs
 New Jersey Housing and Mortgage Finance Agency
 P.O. Box 800
 Trenton, New Jersey 08625-0800

Dear Commissioner Grifa:

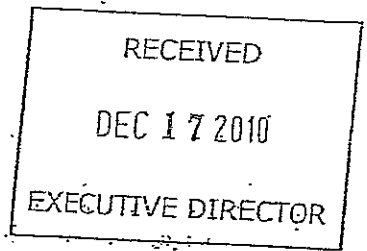
I hereby designate Susan K. Fischer, Assistant Attorney General, to represent me in my absence at the meetings of the New Jersey Housing and Mortgage Finance Agency. In the event of AAG Fischer's absence, Deputy Attorney General Aimee Manocchio Nason is authorized to vote in my stead and to otherwise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

Very truly yours,

Paula T. Dow
 Attorney General

- c: Secretary of State
- Susan K. Fischer, Assistant Attorney General
- Aimee Manocchio Nason, Deputy Attorney General





CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

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

ANDREW P. SIDAMON - ERISTOFF
State Treasurer

December 10, 2010

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

Dear Ms. DellaVecchia:

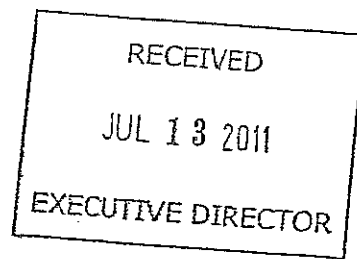
I hereby designate Rob Romano, Department of Treasury to act as my permanent designee at all the meetings of the New Jersey Housing and Mortgage Finance Agency. David Moore, Department of Treasury will serve as back-up should Rob not be available to attend.

Sincerely,

Andrew P. Sidamon-Eristoff
State Treasurer



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



CHRIS CHRISTIE
Governor

KIM GUADAGNO
Lt. Governor

JENNIFER VELEZ
Commissioner

July 8, 2011

Anthony Marchetta
Executive Director
New Jersey Housing and
Mortgage Finance Agency
637 South Clinton Avenue
Trenton, NJ 08650-2085

Dear Mr. Marchetta:

Valerie L. Larosiliere, in her new position as Assistant Director, Office of Housing, Policy and Program Evaluation, Division of Mental Health and Addiction Services, will continue as the Department of Human Services' (DHS) representative for board meetings of the New Jersey Housing and Mortgage Finance Agency. Cathy Boland will be the designee in her absence and will have full authority to represent and take action on matters related to DHS.

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:jc
c: Valerie L. Larosiliere
Cathy Boland