

New Jersey Housing and Mortgage Finance Agency

2000

Annual Report

Donald T. DiFrancesco
Acting Governor

Jane M. Kenny
*Commissioner of the
Department of Community
Affairs*

Deborah De Santis
HMFA Executive Director



Our Mission

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THE PEOPLE WE SERVE

The New Jersey Housing and Mortgage Finance Agency programs are designed to help educate citizens and make available home ownership and housing opportunities to New Jersey residents in order to improve their living conditions and other related quality of life issues.

OUR EXPERTISE

New Jersey Housing and Mortgage Finance Agency responds to the needs of its citizens by implementing creative programs and establishing alliances that:

- Fund affordable mortgages for first-time home buyers;
- Finance the construction and rehabilitation of rental housing;
- Encourage mixed-income, owner-occupied housing growth as a means to stabilize urban neighborhoods;
- Advance the growth and development of municipalities;
- Contribute to the quality of life of older adults, the disabled and those with special housing needs; and
- Formulate partnerships to foster the economic development of New Jersey and the personal development of its citizens.

OUR RESOURCES

The New Jersey Housing and Mortgage Finance Agency raises program funds by;

- Selling taxable and tax-exempt bonds to private sector investors in national financial markets;
- Applying for and administering federal and state grants, and housing assistance programs; and
- Fostering cooperative relationships with state, municipal, not-for-profit agencies and foundation.

New Jersey Housing and Mortgage Finance Agency does not rely on any direct funding from the state Treasury to meet its core operating or administrative expenses. The Agency does rely on favorable federal and state housing legislation to contribute to the vitality of the state's economy and the quality of life of its citizens.

Message from the Acting Governor

Strong neighborhoods and communities are the foundation for a better New Jersey. All of our citizens deserve the opportunity to live in a safe and decent home and work toward a secure future. New Jersey's seniors, disabled citizens and people with special needs deserve affordable housing options that offer an independent lifestyle, access to various support services and enable them to become part of the community.

The New Jersey Housing and Mortgage Finance Agency is highly successful in establishing programs and initiatives to meet the state's unique housing needs. Whether it is first time and urban area home buyers, renting families who are not yet ready to purchase a home, or today's more active and independent seniors can all benefit from the many resources available through HMFA. These programs, such as below market-rate mortgages, construction/permanent financing and community planning services, are encouraging homeownership, restoring the stability of urban neighborhoods and creating new rental housing with needed supportive services across the state.

I am confident that we will build upon our successes and enhance the quality of life for New Jersey's diverse citizens.



Donald T. DiFrancesco





Message from the Chairman

For the past six years New Jersey has taken a more active role in ensuring that our citizens have a safe, decent and affordable place to live. Under the state's comprehensive housing policy, HMFA has developed programs to help lower income families purchase their first home, to revitalize urban neighborhoods and to assist Main Street business owners in purchasing homes with a commercial storefront attached.

Urban revitalization, smart growth and housing preservation are key issues in New Jersey. HMFA's board of directors understands the challenges facing developers of affordable housing and has guided the Agency toward developing proactive housing solutions to encourage growth and stability in our urban communities. I would like to thank Executive Director Deborah De Santis for her extraordinary commitment to creating new opportunities for low- and moderate-income individuals and families to achieve the dream of homeownership.

As we move forward under the leadership of Acting Governor Donald DiFrancesco, our focus will continue to be on implementing innovative solutions to meet the housing needs of New Jersey's families.

Jane M. Kenny
Jane M. Kenny

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Message from the Executive Director

HMFA pursues its mission to improve the living conditions and related quality of life issues for New Jersey citizens by creating innovative programs. Low- and moderate-income home buyers can choose from a number of the Agency's below market-rate mortgages to find one that fits their needs. Over the past year, the Agency developed mortgage programs to assist homeowners with contaminated drinking water, to offer downpayment assistance to state college and university staff buying homes in the cities where they work and to provide home improvement funds for homeowners near our UHORP developments in Camden, Newark and Trenton.

HMFA does more than provide construction financing and mortgages, we act as a resource for developers, nonprofit organizations, government officials and home buyers/owners. Through the award-winning Public Housing Production Partnership Program, HMFA staff coordinate on-going technical assistance, training sessions and roundtable discussions for New Jersey's public housing authorities on growth strategies and accessing HMFA resources to develop sustainable communities.

Our success in expanding affordable housing opportunities for New Jersey citizens is evident in this annual report. In 2001, federal legislation raising the Low Income Housing Tax Credit per capita allocation will allow HMFA to allocate an additional \$2 million in tax credits generating more affordable housing for New Jersey. We look forward to continuing our success and educating more New Jersey residents about what HMFA programs can do for them.



Deborah De Santis



Year in Review

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NJHMFA Bond Issuance 1990 - Present

	Series	Economic Refunding	New Money/ Replacement Refunding	Total
Single Family	1990 Series E & F	0	297,945,000	297,945,000
	1993 Series G & H	72,911,474	110,488,526	183,400,000
	1994 Series I & J	0	105,600,000	105,600,000
	1994 Series K	0	80,075,000	80,075,000
	1994 Series L & M	0	150,000,000	150,000,000
	1995 Series N & O	0	105,840,000	105,840,000
	1996 Series P & Q	0	75,000,000	75,000,000
	1996 Series R & S	0	125,000,000	125,000,000
	1997 Series T & U	0	200,000,000	200,000,000
	1998 Series V, W, X & Y	121,065,000	100,000,000	221,065,000
	1999 Series Z & AA	116,180,000	158,050,000	274,230,000
closed: September 14, 2000	2000 Series BB & CC	0	150,000,000	150,000,000
	Totals	\$310,156,474	\$1,657,998,526	\$1,968,155,000
Multi-family	1991 Series A	84,840,000	0	84,840,000
	1991 Series I (Presidential Plaza)	142,235,000	0	142,235,000
	1991 Series A	0	7,865,000	7,865,000
	1991 Series B	0	14,935,000	14,935,000
	1991 Series C & D	0	8,310,000	8,310,000
	1992 Series I	278,045,000	0	278,045,000
	1992 Series A	8,630,000	0	8,630,000
	1992 Series A, B, C & D	150,280,000	0	150,280,000
	1992 Series E	0	14,585,000	14,585,000
	1995 Series A, B & C	173,500,000	0	173,500,000
	1996 Series A & B	0	47,535,000	47,535,000
	1997 Series A, B, C	0	107,655,000	107,655,000
	1999 Series A, B, C	0	37,715,000	37,715,000
	2000 Series A, B, C	63,855,000	89,685,000	153,540,000
closed: August 17, 2000	2000 Series E1, E2, F, G	111,790,000	13,275,000	125,065,000
	Totals	\$1,013,175,000	\$341,560,000	\$1,354,735,000

- Issued \$236.8 million in mortgages to 2,107 first time and target area home buyers in fiscal 2000.
- Provided UHORP subsidy and loans to construct 485 new homes with a construction value of \$41million.
- Approved an additional \$5 million in Housing Incentive Fund subsidies to fund UHORP Phase VII.
- Launched the \$2.5 million College and University Homebuyers' Incentive Program to provide downpayment assistance to faculty and staff of select, urban public colleges and universities to buy homes near the school where they work.
- Issued \$12 million in 5% "Too Good, But It's True" mortgages to 128 families in designated Urban Coordinating Council neighborhoods statewide.
- Introduced the HMFA quarterly newsletter, Home Front, providing information on HMFA activities, tax credit updates, new programs and upcoming events.
- Committed an additional \$2 million to the award-winning Home Ownership for Permanency Project to expand housing opportunities for abused, abandoned and neglected children.
- Issued \$89 million in tax-exempt and taxable bonds to create 1,116 units of rental housing in 10 developments.
- Funded the \$10 million Home Sweet Home Rehabilitation Loan Program to provide low-interest improvement loans to qualified homeowners near UHORP developments in Camden, Newark and Trenton.
- Allocated \$10 million in federal Low Income Housing Tax Credits to produce 887 new rental units.
- Approved the \$5 million New Jersey Senior and Disabled Cooperative Housing Finance Incentive Program which provides construction, and end loan financing for shared living homeownership opportunities and construction/permanent financing of shared living rental units for low- and moderate-income seniors and disabled persons.



Multi-family Production



Fiscal 2000 Multi-family Activity

County	Mortgages	Units
Atlantic	\$1,650,000	128
Burlington	14,000,000	137
Camden	10,430,285	95
Cumberland	10,203,965	95
Hudson	10,500,000	136
Middlesex	16,936,000	112
Monmouth	27,287,000	436
Morris	18,906,000	167
Ocean	10,287,073	88
Total	\$120,200,323	1,394

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HMFA provided financing for a total of 1,394 multi-family units during FY 2000. The February 2000 Bond Issue generated \$89,279,000 in financing for a total of 1,116 units of housing. In addition, a total of 278 units in three Assisted Living Facilities were also financed from loans by the Agency totaling \$30,921,323, through the AFL-CIO 100% Participation Loan Program.

The Agency's financing will provide for the construction or rehabilitation of 13 projects in total. Four projects are affordable to low- and moderate-income families, and two projects are for low- and moderate-income senior residents. The seven Assisted Living projects will provide assistance with daily living activities and will contain a mix of moderate-income and market rate units.

The National Council of State Housing Agencies (NCSHA) honored HMFA with a Significant Achievement Award for its Public Housing Production Partnership Program in the category of Rental Housing: Encouraging New Production.

The Public Housing Production Partnership Program encourages new rental housing production by offering New Jersey's public housing authorities a forum for exchanging new ideas and accessing a variety of funding sources from state, federal and private entities. Through the Public Housing Production Partnership Program, HMFA staff coordinates on-going technical assistance, training sessions and roundtable discussions for housing authorities on growth strategies and accessing HMFA resources to develop sustainable communities.

> Multi-family Production

LIHTC Production

Historic Preservation

Single Family Production

Community Development



LIHTC Production



2000 Tax Credit Awards

County	Allocations	Units
Burlington	\$1,457,979	154
Camden	1,179,988	80
Essex	130,195	11
Gloucester	716,368	93
Hudson	2,643,463	226
Mercer	360,747	22
Middlesex	963,025	68
Passaic	2,146,896	198
Union	500,773	35
Total	\$10,099,434	887

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In 2000, HMFA awarded \$10 million from the federal Low Income Housing Tax Credit Program for the construction of 887 units of affordable rental housing in communities across the state. Additional funding of \$13.83 million, provided by the state Neighborhood Preservation Balanced Housing Program in the Department of Community Affairs, brought the total joint award cycle to \$22.7 million. Balanced Housing funds and Low Income Housing Tax Credits are awarded to developers planning to build new rental apartments or rehabilitate existing units for low-income households.

The awards in the 2000 cycle included one senior development, 14 family developments and three projects for people with special needs. The Flicker Residence in Voorhees will serve the developmentally disabled, River Drive Residence in Passaic will serve the homeless and people with mental illness, and Dunham Hall will provide single room occupancy housing and social service support for women in the city of Trenton. In addition, an allocation of funds was dedicated to projects serving the homeless and individuals making the transition from welfare to work.

The U.S. Department of Housing and Urban Development (HUD) New Jersey State Office awarded a Best Practice distinction to HMFA for creating a Low Income Housing Tax Credit prioritization for projects utilizing HUD McKinney funds, participating in the HUD HOPE VI Program or instituting a Community Policing Program. In the 2000 Qualified Allocation Plan, HMFA created a set-aside for projects that use HOPE VI funds. HMFA also created up to 10 bonus points as an incentive for developers to utilize HUD McKinney Act funds and one bonus point for projects that provide Community Policing strategies.

Multi-family Production

> LIHTC Production

Historic Preservation

Single Family Production

Community Development



Historic Preservation



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Creating viable new housing opportunities from existing structures is helping to preserve New Jersey's past for future generations. With HMFA financing and federal Low Income Housing Tax Credits, a former textile mill in Freehold that once produced carpets for ocean liners, Radio City Music Hall and the U.S. Supreme Court Building now offers affordable housing to senior citizens and families earning less than 50% of the area median income.

The Karagheusian Rug Mill was built in 1904 and produced oriental style rugs until the 1960s. The largest four buildings were converted into 98 apartments for seniors and 104 apartments for families. Known as Rug Mill Families and Rug Mill Seniors, the project also contains a small commercial component and space for a municipal court.

The historical preservation projects financed through HMFA maintain the historical and architectural integrity of the structure while making greater use of the space. The Monastery in Bordentown is a three-story brick building built in 1885. Originally St. Joseph's Academy and later home to the Poor Clare's religious order, the building was most recently home to the Sisters of St. Francis.

In 2000, construction began to turn the Monastery into a 137 unit facility for seniors. The existing chapel will be converted into a medical clinic. Set behind the original monastery, the developer will construct a 36-unit independent living facility for low-income seniors. The Monastery will also provide 50 units of assisted living and 51 units of independent living with enhanced services.

HMFA will continue financing projects that create viable housing options while bringing new life to buildings from New Jersey's past.

Multi-family Production

LIHTC Production

> Historic Preservation

Single Family Production

Community Development



Single Family Production



Fiscal 2000 Single Family Activity

County	Mortgages	Loans
Atlantic	11,112,720	113
Bergen	10,743,190	68
Burlington	23,695,252	230
Camden	24,039,984	267
Cape May	1,800,700	15
Cumberland	7,230,719	95
Essex	20,810,981	185
Gloucester	14,326,199	146
Hudson	2,980,135	23
Hunterdon	3,760,200	28
Mercer	11,849,443	137
Middlesex	20,083,202	162
Monmouth	11,472,380	92
Morris	16,388,748	111
Ocean	9,312,789	75
Passic	9,381,861	60
Salem	3,347,735	41
Somerset	9,271,296	72
Sussex	5,841,247	45
Union	14,012,225	96
Warren	5,373,783	46
Total	\$236,834,789	2,107

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Homebuyer education and access to low interest rate mortgage loans are the keys to increased homeownership opportunities. In FY 2000 the New Jersey Housing and Mortgage Finance Agency mortgage products helped 2,107 New Jersey families achieve the dream of homeownership at some of the lowest interest rates in Agency history.

HMFA received some of HUD's top honors for outstanding community achievement with its Best Practices seal of approval. HMFA was honored for increased community outreach efforts and the free neighborhood Housing Fairs that provide New Jersey families with the information they need to become homeowners. HMFA co-sponsors the fairs with local municipalities and civic organizations to bring information on homeownership and credit counseling to individuals interested in purchasing a home.

From a pool of 2,800 entries, the Home Ownership for Permanency Project was chosen by HUD as one of the top 100 Best Practices in housing throughout the country. The Permanency Project is designed to reduce the number of children in foster care by helping those families who are unable to make a permanent adoption commitment because of insufficient, inadequate or unaffordable housing.

The Home Ownership for Permanency Project creates affordable homeownership opportunities for low- and moderate-income adoptive families and relative care givers by providing below market-rate mortgages with 100% financing, if needed.

Multi-family Production

LIHTC Production

Historic Preservation

> Single Family Production

Community Development



Community Development



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New Jersey Housing and Mortgage Finance Agency understands the important relationship between the development of affordable housing opportunities and the availability of social services. The Agency's pioneering efforts to leverage additional support by forging partnerships with project sponsors and sister state agencies and departments have resulted in real success stories.

Under the New Jersey Community Housing Demonstration Programs, HMFA makes a wide array of innovative and flexible housing opportunities available to people with developmental disabilities who are living with aging parents or are in conditions unsuitable for their needs.

The Developmental Disabilities Housing Program was made possible through a grant from the New Jersey Department of Human Services' Division of Developmental Disabilities and offers opportunities for homeownership, cooperatives and multi-family rental housing arrangements. To reach eligible individuals with program information, HMFA produced and distributed a 15-minute videotape.

HMFA continues its commitment to the revitalization of Camden with well planned housing and community development initiatives to rebuild strong residential urban neighborhoods throughout the city.

In 2000 the Department of Community Affairs, HMFA and the Camden Empowerment Zone, Incorporated committed a total of \$5.5 million toward preserving and enhancing the neighborhood in the first phase of the Cooper Plaza Development Project. The Cooper Plaza Development Project will help to ensure continued success of the 18 HMFA-financed market rate units in Walt Whitman Village through rehabilitation of surrounding existing homes, the creation of new housing stock and by addressing other quality of life issues.

A \$6.3 million housing and infrastructure improvement program was launched in the Marlton neighborhood bordering the Admiral Wilson Boulevard in East Camden to acquire abandoned properties, rehabilitate and sell them to low- and moderate-income families. A revitalization plan for the Westfield Acres area was set in motion with a \$41.2 million financing package designed to stimulate construction of hundreds of new homes, and the community of Parkside received a state commitment of up to \$5 million as part of a public, private and non-profit sector initiative to revitalize the historic neighborhood.

Multi-family Production

LIHTC Production

Historic Preservation

Single Family Production

> Community Development



Good Neighbors

Pictured, top from left, are: Juan Martinez,
James Gaumont, Billie Miller, Melinda
Sciarrotta, Anna Auerbach, Anna Bafaloukos.

Pictured, bottom from left, are: Karen Mellor,
Herb Korte, Connie Curtis, Jackie Lovett,
Whit Gooch, Quetcy Parrish, Trish Ceppi.

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Good neighbors build strong communities and the staff at HMFA participates in a number of activities to benefit our neighbors in Trenton. On the fourth Thursday of each month you will find a number of HMFA employees volunteering at the Trenton Area Soup Kitchen. From 10 a.m. to 1 p.m., HMFA volunteers work with the soup kitchen staff to prepare the meal and serve between 300-350 hot lunches to those in need. During the holiday season Agency staff collected \$350 to purchase 100 pairs of socks, 30 pairs of gloves, 40 children's hygiene kits, 20 bags of cookies, 50 boxes of crayons and 100 coloring books as a donation to the families who visit the soup kitchen.

The recipients of HMFA's annual food and coat drives were also in the Trenton area. HMFA employees contributed enough nonperishable food items and money during the Thanksgiving Food Drive to assemble 14 packages containing a turkey and all the trimmings. The Thanksgiving packages were given to families in an HMFA-funded development, Rowan Towers. Residents of Kingsbury Towers received a collection of men's, women's, and children's hats, gloves, scarves and coats donated by HMFA staff.

The following have volunteered at the soup kitchen but were not in the photo:

Kathy Coulier, Dana Davis, Rick Griffiths, Melody Johnson, Jerry Keelen, Claudia Lovas, Renee Miller, Jennifer Moorer, Jim Peasco, Dara Petersenn, Kathy Selden-Sweeney & Francis Thomas.

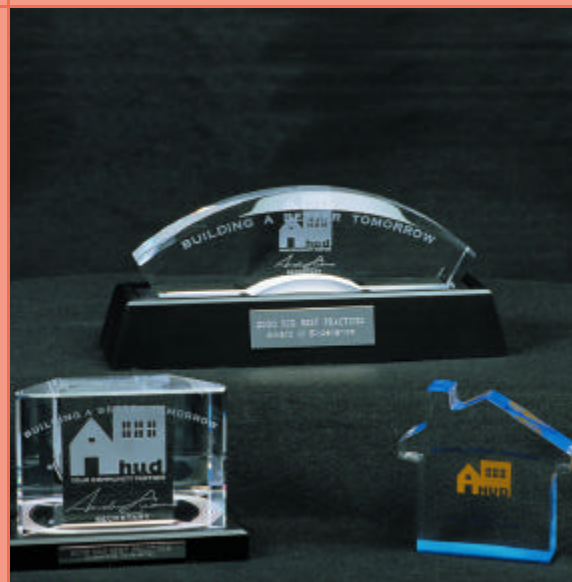
Awards



HMFA received two prestigious awards from the National Council of State Housing Agencies for its Public Housing Production Partnership Program and New Jersey Urban Site Acquisition Program (NJ-USA).

The U.S. Department of Housing and Urban Development honored HMFA with an Award of Excellence for the Home Ownership for Permanency Project. HMFA also received the HUD Best Practices distinction for a Low Income Housing Tax Credit prioritization and First Time Home Buyer Fairs.

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HMFA received several awards and national recognition for introducing innovative programs designed to meet a variety of housing needs.

The New Jersey Urban Site Acquisition Program (NJ-USA) won the Annual Award for Program Excellence from the National Council of State Housing Agencies (NCSHA) in the category of Homeownership: Encouraging New Production. NJ-USA combines the financial resources and technical expertise of HMFA, the New Jersey Economic Development Authority, the New Jersey Department of Community Affairs and the New Jersey Redevelopment Authority to acquire abandoned urban sites that are encumbered by title, liens or other costs which have prevented the properties from being redeveloped.

The NCSHA also granted a Significant Achievement Award in the category of Rental Housing: Encouraging New Production for HMFA's Public Housing Production Partnership Program which provides on going technical assistance, training sessions and roundtable discussions for housing authorities on growth strategies and accessing resources to develop sustainable communities.

The U.S. Department of Housing and Urban Development (HUD) chose HMFA's Home Ownership for Permanency Project from a pool of 2,800 entries as one of the top 100 Best Practices in housing throughout the country. The \$4 million Home Ownership for Permanency Project is the first of its kind and is designed to reduce the number of children in foster care by providing below market-rate mortgages with 100% financing, if needed, to families who are unable to make a permanent adoption commitment because of inadequate or unaffordable housing.

HMFA received a Local Best Practices award from the HUD New Jersey State Office for creating a Low Income Housing Tax Credit prioritization for projects utilizing HUD McKinney funds, participating in the HUD HOPE VI Program or instituting a Community Policing Program. HMFA's Home Buyer Information Fairs, which bring information on homeownership and credit counseling to individuals in urban areas interested in purchasing a home, received a Simply the Best award from the HUD Newark Office.



HMFA Board

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Auditors
Deloitte & Touche, LLP

Legal Counsel
Attorney General of the State of New Jersey

Trustees

First Union National Bank
Summit Bank
State Street Bank
Bank of New York

Text: Susan Sands, Amanda Sacco, HMFA

Design: Ana Maria Rivera-Pramuk, HMFA

Photography: James Shive