

Two Thousand and Five Annual Report



New Jersey Housing and Mortgage Finance Agency

Our Mission Statement

The People We Serve:

The New Jersey Housing and Mortgage Finance Agency (HMFA) provides funding for affordable homeownership and housing opportunities for New Jersey residents.

Our Expertise:

HMFA responds to the needs of its residents by implementing creative programs and establishing alliances that:

- ❖ Fund affordable home mortgages for first-time home buyers;
- ❖ Promote 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, disabled residents and individuals with special housing needs; and
- ❖ Formulate partnerships to foster the economic development of New Jersey and the personal development of its residents.

Our Resources:

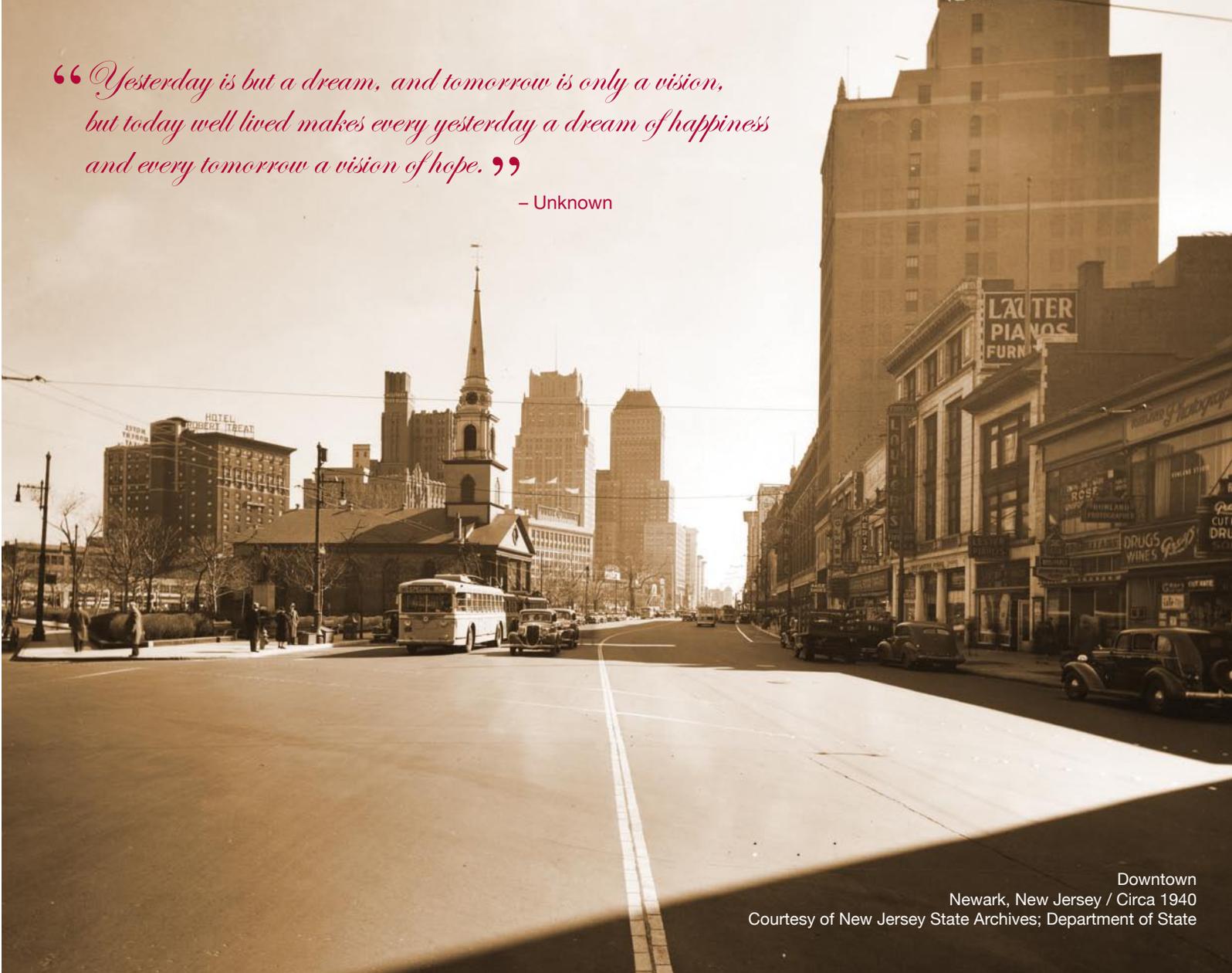
HMFA raises program funds by:

- ❖ 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 foundations.

HMFA does not rely on any direct funding from the State Treasury to meet its core operating or administrative expenses. HMFA does rely on progressive federal and State housing legislation to contribute to the vitality of the state's economy and the quality of life of its residents.

*“Yesterday is but a dream, and tomorrow is only a vision,
but today well lived makes every yesterday a dream of happiness
and every tomorrow a vision of hope.”*

– Unknown



Downtown
Newark, New Jersey / Circa 1940
Courtesy of New Jersey State Archives; Department of State



Susan Bass Levin

Commissioner, DCA
Chair, HMFA



A Message from Commissioner Susan Bass Levin

Here in New Jersey, we continue to face the challenge of creating and providing quality affordable housing for all of our hardworking families.

Governor Jon S. Corzine's housing policy links the needs of low-income families and the concerns of middle class families by going beyond simply providing physical shelter. The policy aims to improve the quality-of-life for New Jersey's residents within a secure and affordable environment, and tackles our complex range of affordable housing issues through creative and innovative policies and programs.

Utilizing federal, state, local and private resources, we have promoted diverse mixed-income neighborhoods that provide a powerful stimulus to the economy. Going beyond the old and outmoded bricks and mortar concept of housing, we think of housing opportunities as investments in communities, and as a source of building wealth and achieving stability for New Jersey's families. A stable community is the precursor of economic prosperity.

Our housing policy addresses the housing needs of all of New Jersey's residents, including the most vulnerable. HMFA's supportive housing programs were developed to meet the requirements of our elderly and special needs populations. We are creating housing that includes the supportive services needed to promote the independence of these residents.

I look forward to expanding on HMFA's impressive record of creating housing by continuing to develop new programs and initiatives and improve on existing programs.

I would like to thank our dedicated HMFA staff as well as our housing partners in the private and governmental sectors for helping us to fulfill our commitment of expanding housing opportunities in New Jersey.

Susan Bass Levin

Susan Bass Levin, Commissioner



Marge Della Vecchia

Executive Director, HMFA



A Message from Executive Director Marge Della Vecchia

The New Jersey Housing and Mortgage Finance Agency (HMFA) strives to truly make housing affordable to the low-and moderate-income residents in the State. To achieve this objective, we have taken a number of innovative measures, increased public outreach and developed new strategies that make our financing programs consumer- and developer-friendly.

HMFA has a tradition of excellence and an outstanding record of achievements. We developed new programs and modified existing programs with the goal of expanding housing opportunities for New Jersey residents. Our efforts paid off. We provided over 400 single family loans and assisted over 350 borrowers with their down payments and closing costs. In addition to organizing housing fairs, HMFA reached out to potential homebuyers through the NJ Housing Resource Center (HRC) in collaboration with the Department of Community Affairs (DCA) and the Department of Human Services. This bilingual website is a free searchable registry of affordable, accessible and supportive housing located throughout the state.

However, we are not just about homeownership. We know that everyone needs a safe place to call home. To meet the needs of NJ's rental community we streamlined our underwriting process for financing multifamily housing projects, resulting in funding commitments for the development of over 3,000 rental apartments.

To help ensure that our special needs residents are able to live independently, HMFA expanded its service-oriented supportive housing programs. These programs have provided homes to 100 individuals with disabilities. Under the Special Needs Housing Trust Fund, HMFA provided financing commitments for 10 projects with an additional 109 units of supportive housing. Most importantly we joined together with outside entities to provide homes to families in need of supportive services, which helped to enrich our communities.

At HMFA, we understand housing and communities. Our housing programs are both people and community oriented and are designed to make the State a better place to live and work and play. Working on HMFA's capabilities, utilizing fiscal resources and forming partnerships with for-profit and non-profit entities, we will provide future generations with a new hope for living and working in the state.

Marge Della Vecchia

Marge Della Vecchia, Executive Director



Villa Esperanza

The Village of Hope

Villa Esperanza
Newark, New Jersey / 2005



*“Vision without action is a daydream.
Action without vision is a nightmare.”*

– Japanese Proverb

*V*illa Esperanza involved the rehabilitation of two formerly abandoned buildings into 44 high quality low- and moderate-income rental apartments. Translated, Villa Esperanza means “Village of Hope,” and “Hope” it gave to the residents of Newark’s South Ward.

HMFA provided funding in the amount of \$1.42 million through the Multifamily Rental Housing Program. Additionally, Federal Low Income Housing Tax Credits generated approximately \$3.9 million in private equity.

Villa Esperanza symbolizes the success of the cooperative efforts of the state, local and private agencies to revitalize neighborhoods, provide affordable rental housing, bring back to life abandoned and dilapidated buildings, and infuse self-respect and confidence to residents through the provision



Before Construction: Osbourne Terrace looking into the courtyard.

of social services and job training. Family Life Education workshops and seminars, employment assistance programs, emergency food and clothing services, substance abuse counseling, and relocation assistance are offered to the residents of the project and the surrounding neighborhood.

The Multifamily Rental Housing Program provides construction and/or permanent financing through the sale of tax-exempt and taxable housing revenue bonds. As the designated housing credit agency for New Jersey, HMFA is responsible for the annual allocation of federal Low Income Housing Tax Credits to qualified applicants and the monitoring of projects for compliance with the Internal Revenue Code. 🍀

Villa Esperanza
Looking into the courtyard
Newark, New Jersey / 2005



Looking South from Broad Street and Central Avenue
Newark, New Jersey / Circa 1940
Courtesy of New Jersey State Archives; Department of State





St. Joe's

East Camden Gets an “Extreme Makeover”
St. Joe's Carpenter Society Style

A HOUSE IN A WEEK

and Brothers Concrete, Inc. MP Contract Flooring
American Disposal Martin's Construction Co.
Angelini, Inc. Our Lady of Good Counsel School
PRD Management Inc.
to Post
mental Iron Design
umbing & Electrical

“There is only one admirable form of the imagination: the imagination that is so intense that it creates a new reality, that it makes things happen.”

– Sean O’Faolain



East Camden house prior to Extreme Makeover.

*S*aint Joseph’s Carpenter Society of Camden was founded in 1985 with the hopes of enhancing the quality of life for East Camden residents through homeownership. St. Joe’s mission is to acquire abandoned homes in East Camden, rehabilitate the homes and then sell the homes to qualified first-time homebuyers. HMFA’s Market Oriented Neighborhood Investment (MONI) Program has been a vital part of this process. Since the program’s inception in 1996, HMFA has committed to financing the acquisition and rehabilitation of 350 homes sponsored by St. Joe’s. East Camden I, a 50-unit rehabilitation project, comprises part of this 350-unit commitment.

In 2005, St. Joe’s celebrated its 20th Anniversary by giving one of the 50 East Camden I units a true “Extreme Makeover.” The goal: to completely renovate a house that had been

vacant for 10 years, in one week. A typical renovation of this magnitude could take three months or more to complete. To the delight of all concerned, within one week a former rundown home was completely restored, from new roof to brand new landscaping; all in all an “extreme” success.

HMFA’s MONI program is designed to encourage economic diversity by helping developers and non-profit housing sponsors construct housing that contains a mix of market-rate, moderate-income and low-income units in certain targeted areas throughout the state. HMFA provides the funding for 50% of the construction loan with an outside lender providing the remaining 50%. In addition to the construction loan financing, the program includes access to funds to subsidize the cost of construction resulting in a reduced sales price to the homebuyer. 🏡



Friends Meeting House
Camden, New Jersey / Circa 1940
Courtesy of New Jersey State Archives; Department of State





Broad Street Bank

The Greening of Broad Street Bank

Broad Street Bank during renovation
Trenton, New Jersey / 2005



“The true way to soften one’s troubles is to solace those of others.”

– Madame De Maintenon



Broad Street Bank building undergoing renovations and green enhancements.

*S*ituated in downtown Trenton, the historic Broad Street Bank sat vacant for many years. However the potential of this 1900s structure did not go unnoticed. Through the coordinated funding efforts of HMFA, the State of New Jersey and federal Low-Income Housing Tax credits, the 12-story building will be rehabilitated into 124 affordable and market-rate apartments with commercial space on the first two floors and a garden on the roof.

The rehabilitation of the Broad Street Bank is about more than just providing much needed housing in the downtown Trenton area - it is also about providing energy efficient housing. Through participation in the NJ Affordable Green Program (NJAG), green features to be incorporated into the project include optimal energy and water efficiency, use of locally manufactured materials, and recycling of construction waste.

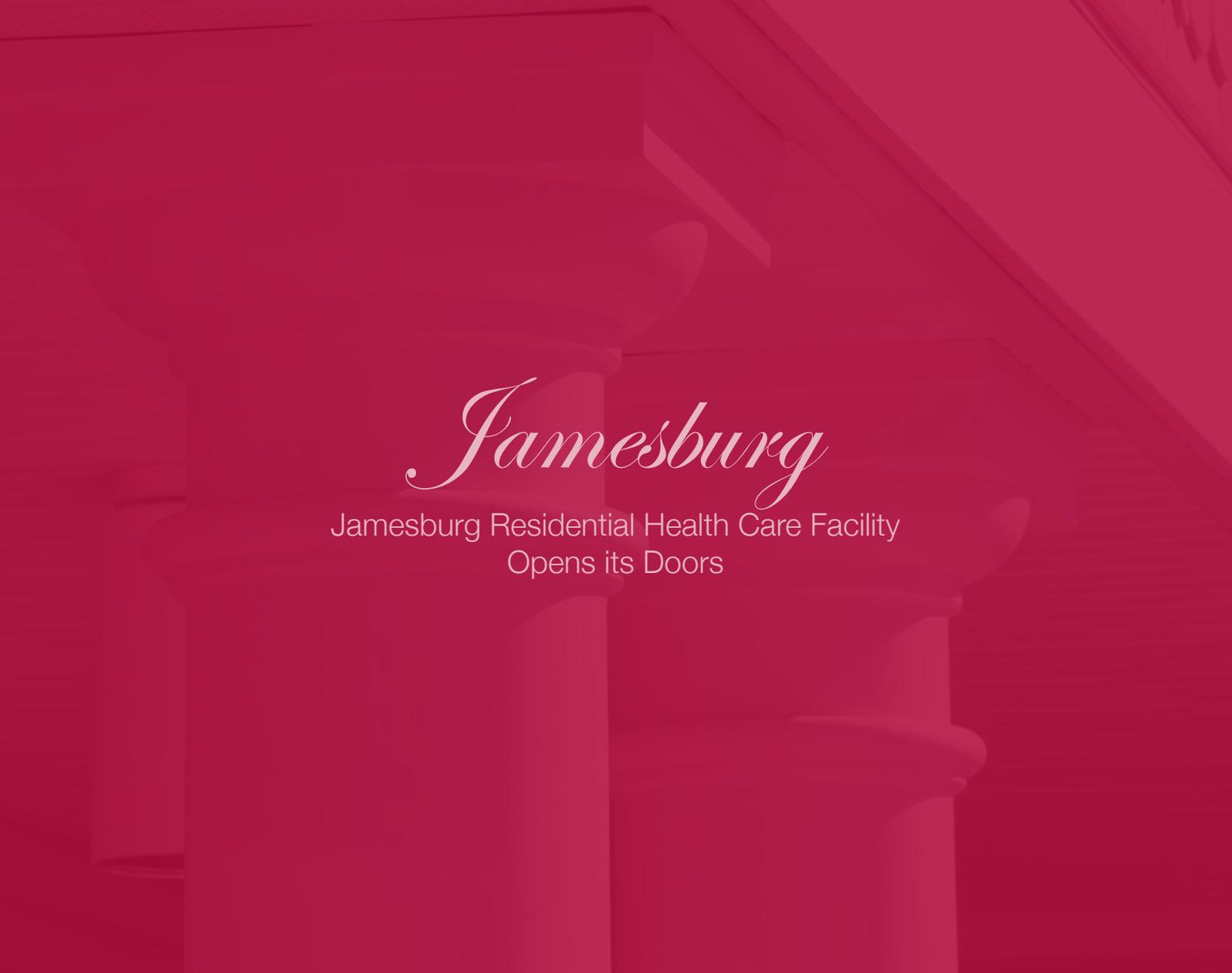
Additional energy efficient design features will be incorporated into the building such as a solar electric system under HMFA’s Solar Underwriting with Low Income Housing Tax Credits (SUNLIT) Program.

With projects such as the Broad Street Bank, HMFA is demonstrating how “green development” can be combined with other financing to bring about safe, efficient, prosperous, long-lasting and livable communities.

SUNLIT combines the Low Income Housing Tax Program and solar rebates offered by the Board of Public Utilities to allow developers of affordable housing to immediately realize the financial benefits of installing solar photovoltaic systems. DCA’s NJAG is the only statewide green affordable housing program in the country and has become a national model. 🏡

Broad Street Bank
Trenton, New Jersey / Circa 1940
Courtesy of New Jersey State Archives; Department of State





Jamesburg

Jamesburg Residential Health Care Facility
Opens its Doors

Jamesburg Health Care Facility
Detail photo
Jamesburg, New Jersey / 2005



“The secret of health for both mind and body is not to mourn for the past, worry about the future, or anticipate troubles but to live in the present moment wisely and earnestly.”

– Buddha



The completed Jamesburg Residential Health Care Facility.

Jamesburg Residential Health Care provides permanent supportive housing to 20 consumers of mental health services who would otherwise reside in an institutional facility. The 10 two-bedroom unit project, which includes a shared living room, dining room, kitchen, lounge, and counseling and staff office space, was financed in part from HMFA's Division of Mental Health Shared Living Residence Rental Housing Program. HMFA and the project sponsor, SERV Behavioral Health System, Inc., worked in cooperation with the Department of Human Services' Division of Mental Health Services to identify the 20 individuals who are currently residing in Jamesburg Residential. Prior to their move to Jamesburg, these individuals were living in state institutional facilities.

Jamesburg Residential Health Care is located in a residential neighborhood with a mix of business and commercial space.

The project offers the residents a fulfilling community style living environment in addition to the supportive services they require.

Developing supportive housing often involves a collaboration with other government and non-government entities. Jamesburg Residential Health Care is a great example of a project that would not have been possible without the partnership between HMFA and the Department of Human Services' Division of Mental Health Services.

The Shared Living Residence Rental Housing Program is just one of many programs offered under HMFA's Supportive Housing Program umbrella. The programs are designed to include the supportive services needed to assist special needs consumers to live independently in a community environment. 🏠

Jamesburg Health Care Facility
View from front of building
Jamesburg, New Jersey / 2005



Kerr's Butterscotch Factory
Jamesburg, New Jersey / Circa 1950
Courtesy of the Jamesburg Historical Association





11 Elm Street

11 Elm Street Shines



11 Elm Street
View from front of building
Montclair, New Jersey / 2005

“Yesterday is but a dream, and tomorrow is only a vision, but today well lived makes every yesterday a dream of happiness and every tomorrow a vision of hope.”

– Unknown



11 Elm Street after renovation.

11 Elm Street, located in Montclair, Essex County, will shine again thanks in part to HMFA's Small Rental Housing Loan Program. HMFA committed \$825,000 in construction and permanent financing in addition to \$278,000 in subsidy financing for the moderate rehabilitation of the 14-unit apartment complex. The developer's goal was to change the aesthetic of the property without changing the fabric of the community. Many of the apartments are occupied with fixed-income tenants including single parents and disabled veterans, many of whom do not have other housing options.

As a result of the HMFA financing, the plumbing and heating systems will be enhanced and each apartment will be upgraded to include a new kitchen and bathroom. Most importantly, the units will be deed restricted to ensure that the rents will continue to be affordable for another 30 years.

Located close to the heart of the commercial district, residents of 11 Elm Street will have access to the town's shopping center and to a New Jersey Transit commuter rail station.

HMFA's Small Rental Project Loan Program (5-25) was established as a smart-growth financing tool to provide funding for small rental housing projects located in emerging neighborhoods. The program provides construction, permanent and subsidy financing for the acquisition, construction, preservation and rehabilitation of multi-family housing projects containing between 5 and 25 housing units. 🏠

11 Elm Street
View from front of building
Montclair, New Jersey / 2005



The Munn Tavern
Montclair, New Jersey / March 10, 1900
Courtesy of the Montclair Historic Society





Oakview

Oakview Apartments Shape Up

Oakview
View from front of building
Millville, New Jersey / 2005



“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

– Margaret Mead

*B*uilt and financed by HMFA in 1971, Oakview Apartments is a 210-unit garden style apartment complex located in Millville, Cumberland County. The apartments were not substantially updated or renovated since the original date of construction and were in need of extensive repairs. Through the sale of taxable Multi Family Housing Revenue bonds, HMFA provided \$9.2 million to fund the refinancing and renovation of the complex which included the replacement of roofs, windows, doors, baseboard heaters and furnaces, complete renovations of kitchens and bathrooms, and new carpeting. The renovations improved the quality of life for the tenants and provided cost savings through a variety of energy efficient improvements.



Among the many upgrades at the Oakview Apartments were new windows.

HMFA staff are continuing to work with the developer to increase the overall energy savings for the housing complex. In addition to making the development a better place to live, the refinancing ensured that the apartments would remain affordable for another 22 years.

The refinancing of Oakview Apartments was accomplished through HMFA's Preservation Loan Program. The goal of the program is to provide HMFA with a tool in which to preserve federally assisted housing while at the same time respond to the physical problems of an aging housing stock. The first priority of the program is to preserve affordable housing units in HMFA financed projects. Other priorities include preserving other affordable units that would be lost to the market and preserving units in need of substantial repair. 🏠

Oakview
View from front of building
Millville, New Jersey / 2005



Looking south on High Street from Pine Street
Millville, New Jersey / Circa 1910
Courtesy of the Steelman Photo Collection





Senior Staff

Front Row (from left to right): Lenore Rosner, Todd Evans, Marge Della Vecchia, Darryl Applegate, Eileen Hawes

Middle Row (from left to right): John Murray, Debbie Urban, Pamela McCrory, Ruthann Kueny, Tracee Battis, Whit Gooch, Peter Kasabach, Grace Roselli

Back Row (from left to right): Michele Costanzo, Michael Floyd, Michael Staton, Jerry Keelen, Claudia Lovas, George Guirguis, Leslie Lefkowitz

2005 Board Members



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HMFA Chair and
Commissioner,
Department of
Community Affairs



James M. Davy
Commissioner,
Department of
Human Services



Peter Harvey
Attorney General



John Mc Cormac
Treasurer



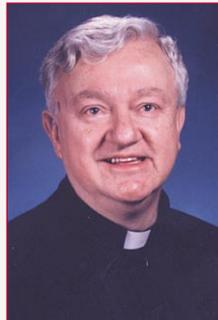
Donald Bryan
Acting Commissioner,
Department of Banking
and Insurance



Dorothy L. Blakeslee
Financial Advisor



Patrick Sheehan
Attorney



**Reverend Monsignor
William J. Linder**
Clergyman



Michael Steele
School Business
Administrator

Accomplishments

PRODUCTION

- As a result of HMFA's Single Family Loan Program, 457 families were able to purchase their own home.
- Of the 457 families purchasing homes, 356 families received down payment and closing cost assistance through the SMART START Program.
- Twenty-four seniors were able to "age in place" due to our Reverse Mortgage Program.
- Construction funding of \$17 million was approved to produce 159 housing units under the Market Oriented Neighborhood Investment (MONI) Program. This funding leveraged another \$17 million in loans and grants.
- Financing commitments and federal Low Income Housing Tax Credit private equity totaling \$223 million will provide the funding for the development or preservation of close to 3,000 apartments.
- Through HMFA's Supportive Housing Programs, 209 individuals with special needs will live comfortably in service-enriched housing.

NEW INITIATIVES

- \$10 million was allocated for the purpose of making equity investments in housing and housing related projects.
- A \$5 million investment was made to support the conversion of an office building located at 1180 Raymond Blvd. into 317 apartments. This investment will assist with the ongoing efforts to revitalize downtown Newark.
- A \$5 million investment was made to support the acquisition and restoration of what once was the Paramount Theater into a 2,000 seat performing arts center to be known as the Broadway Arts Center along with over 500 units of housing. This investment will aid the long range development plan for the city of Long Branch.

- The Housing Resource Center (HRC) was established to provide a free, bilingual on line registry of affordable, accessible and special needs housing. HRC was a collaboration among HMFA, the Department of Community Affairs, and Human Services, Division of Disability Services.
- HMFA is leading a state and local consortium in the development of the Homeless Management Information System (HMIS) which meets federal Department of Housing and Urban Development specifications for tracking, reporting and analyzing homelessness information in New Jersey.

FINANCIAL

HMFA issued more than \$500 million in tax-exempt and taxable housing revenue bonds to provide the funding needed to create the HMFA housing opportunities.

HMFA's issuer credit ratings of AA- by Standard & Poor's Rating Services and Aa2 by Moody's Investors Services Inc. are among the highest ratings given to any state housing finance agency in the nation.

LEGISLATIVE

In 2005, legislation was passed to establish the Special Needs Housing Trust Fund, which is administered by HMFA. The purpose of the Fund is to create affordable housing units for people with mental illness and other special needs.

“Remember, if you ever need a helping hand, you'll find one at the end of your arm... As you grow older you will discover that you have two hands. One for helping yourself, the other for helping others.”

– Audrey Hepburn



Pyne Point Park
Camden, New Jersey / Circa 1940
Courtesy of New Jersey State Archives; Department of State

Main Telephone Number 609-278-7400

Consumer Hotline 1-800-NJ-HOUSE (654-6873)

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No State tax dollars were used to design and produce this annual report.

 Equal Housing Lender

 This publication was printed using recycled materials