



New Jersey Housing and
Mortgage Finance Agency

FY | 2012 Annual Report



A photograph of a man and a woman walking up a set of stairs, viewed from behind. The woman is on the left, wearing a dark sleeveless top and light-colored pants. The man is on the right, wearing a striped long-sleeved shirt and jeans. They are holding hands. The entire image is overlaid with a semi-transparent red filter.

**New Jersey Housing and Mortgage Finance Agency
FY | 2012 Annual Report**

Dear Friends, Colleagues and Residents...

During 2012, the State of New Jersey and the New Jersey Housing and Mortgage Finance Agency (HMFA) began to see the early stages of an economic turnaround which provided New Jerseyans confidence in the development of affordable housing opportunities, a growing job market, and a rise in consumer confidence and spending. These indicators have positively impacted the greater economy and therefore, the housing market and the business of the HMFA.

HMFA's numerous and diverse programs have been able to provide low- and moderate-income families with safe and affordable housing, and our projects have also served as a foundation for the growth of jobs and private investment statewide. By preserving communities, producing housing and providing opportunities for investment, New Jersey continues to serve as a model for successful community revitalization.

Toward this end, in 2012 HMFA committed \$152.8 million in funding through its multifamily lending, preservation, supportive housing and single family development programs. As Administrator of the federal Low Income Housing Tax Credit Program for New Jersey, HMFA awarded \$18 million in housing tax credits which resulted in \$228 million in private equity for the development of affordable housing throughout the state. This total funding will result in the creation or preservation of 2,195 rental apartments. Of that total, 319 are dedicated for seniors and 298 are designed specifically for persons with special needs. In addition, HMFA provided 959 single family mortgages for first-time and urban homebuyers.

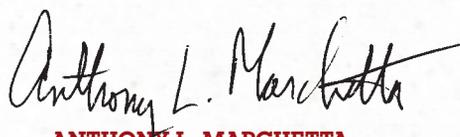
However, in 2012, New Jersey faced one of the greatest natural disasters in the state's history. The devastation brought on by Superstorm Sandy brought many challenges to our residents, including a severe housing shortage, particularly for low- and moderate-income residents. There was major physical damage to over 40,000 primary residences and over 15,600 renter-occupied homes. In response to the housing shortage, HMFA worked extensively with Social Serve and the Federal Emergency Management Agency (FEMA) to help Sandy survivors locate safe and permanent housing through the New Jersey Housing Resource Center website. This resulted in an increase of 55% more available unit listings than those during pre-Superstorm Sandy months.

None of the accomplishments highlighted in this report could have come to fruition without the dedication of our Board of Commissioners, commitment of our employees, and the tenacious efforts of our loyal housing partners. The collective hard work and commitment of our extended team has instilled confidence in our efforts and has contributed to the economic success of the HMFA and the State of New Jersey.

Sincerely,



RICHARD E. CONSTABLE III
Commissioner
NJ Department of Community Affairs



ANTHONY L. MARCHETTA
Executive Director
NJ Housing & Mortgage Finance Agency



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NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY



**PRODUCING HOUSING THAT
NEW JERSEY RESIDENTS
CAN AFFORD**



Creating Better Housing Options for Individuals with Special Needs

When we provide the financing for the renovation of homes, we don't just improve neighborhoods and communities, we transform lives.

Big Oak Supportive Housing in Cumberland County is a beautiful single-family ranch that is now home to four New Jersey residents with developmental disabilities.

Financed through HMFA's Special Needs Housing Partnership Loan Program (SNHPLP), this project not only provides safe and affordable housing but also

assists the Division of Developmental Disabilities (DDD) in their endeavors to move 1,850 residents from institution living into the community – otherwise known as the Olmstead Initiative. Through a cohesive partnership the HMFA and DDD have had the privilege to expand living options for people with developmental disabilities through the SNHPLP and projects like Big Oak.

Situated on a bucolic five acres of land in Cumberland County, the 3,361 square foot ranch home originally had three bedrooms, three bathrooms, a living room, kitchen, family room, basement, outdoor deck, and a two-car garage. In order to provide an additional housing opportunity, the rehabilitation work was expanded to include the construction of a fourth bedroom and closet.

Not only do the residents have a new place to call home, they are also able to take advantage of recreational activities, retail shops, banks, a library, and places of worship which are only





a short car ride away. To facilitate Big Oak residents' transition to their new home, MENTOR New Jersey has been selected as the social services provider to assist residents with transportation and daily living skill training such as food preparation, housework, and shopping.

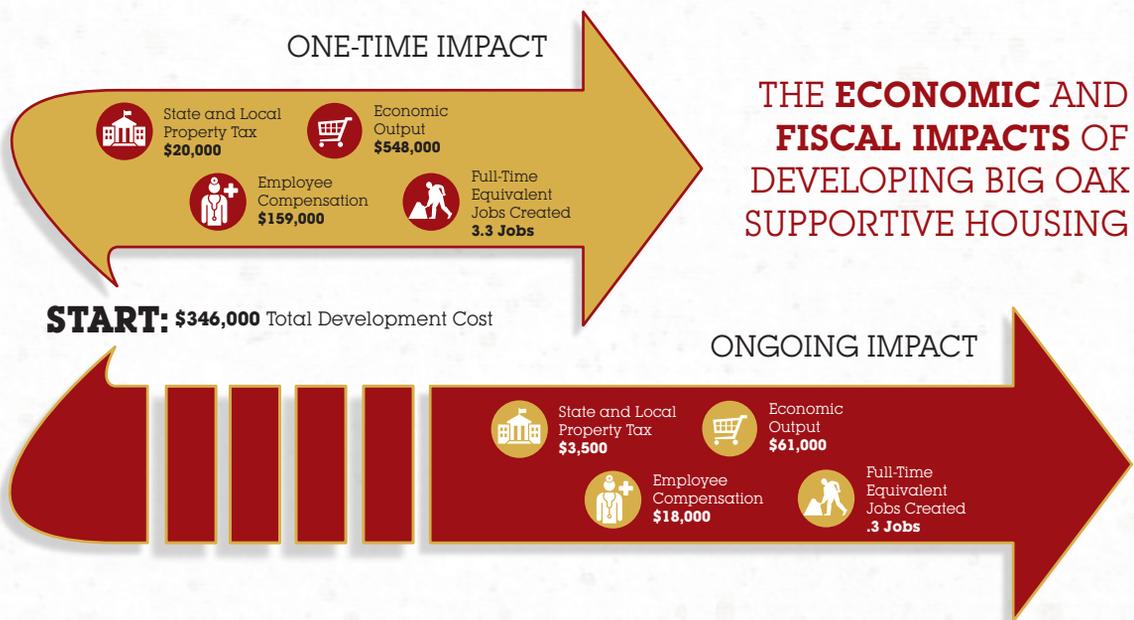
The developer, Scioto Properties, is dedicated to providing residential homes for people with developmental disabilities nationwide. Big Oak Supportive Housing was made possible by an HMFA loan of approximately \$234,000 and a DDD Sprinkler System Fund of \$32,500.

Big Oak Supportive Housing is one of 22 projects providing close to 90 beds overall that is made possible through the SNHPLP since its inception in 2011. So far the funding that HMFA has provided to these projects exceeds \$6.3 million with DDD subsidies coming in at around \$600,000.

Under the SNHPLP, loan proceeds are used to acquire and rehabilitate existing three- and four-bedroom single-family houses and first floor three- and four-bedroom condominium units. The SNHPLP also motivates municipalities to utilize the monies in their affordable housing trust fund accounts to create housing for people in need.

In 2012, HMFA closed on 14 projects which created 61 bedrooms and expended \$4.1 million in HMFA/DCA funds under the SNHPLP.

In addition to helping integrate people with special needs into New Jersey's communities, homes like Big Oak Supportive Housing replace unnecessary institutionalization with accessible and independent living in the comfort of a traditional, community-based home.





Affordable Senior Living Reenergizing the Pleasantville Business District

Built on the site of a vacant convent, the Village at St. Peter's (VASP) is a 74-unit affordable housing senior citizen community in Pleasantville, Atlantic County. The 80,000 square foot six-story high-rise provides housing for seniors age 62 years and older with incomes at or below 50 percent of the Area Median Income (AMI).

Adjacent to a prayer garden that honors local fallen veterans and directly in line with the arch and bell tower of the former St. Peter's church, the building's exterior is complementary in style to the church's Spanish Colonial architecture, retaining the historic fabric of the neighborhood. Inside the colorful stucco façade of the residence is a multipurpose room, a laundry room on each floor, a social service coordinator office, two administrative offices, two elevators, and

an open-air patio on the roof, providing residents with a perfect view of the Atlantic City skyline. All units include a stove range, refrigerator, an island with ornament lighting and air conditioners. VASP has an extensive professional security system and on-site resident parking is available. In addition, the Division of Intergenerational Services, a County Transportation Unit, provides transportation to residents for shopping, doctor's visits, and other similar needs.

The contemporary apartment facility is Energy Star-certified and complies with HMFA's Green Futures Program. All units are equipped with sustainable building products including low-flow water fixtures, energy-saving fixtures, and low-VOC products that not only save residents money, but also provide a comfortable indoor environment

ONE-TIME IMPACT



START: \$19.08 Million Total Development Cost

THE ECONOMIC AND FISCAL IMPACTS OF DEVELOPING THE VILLAGE AT ST. PETER'S

ONGOING IMPACT



that is warm in the winter and cool in the summer.

The development gives local seniors the opportunity to remain in their community and serves to help revitalize a neighborhood that was once in decline. Local vendors, residents, and contractors, including minority-based and women-based enterprises, were hired to help construct the building.

Additionally, the project's location on the Blackhorse Pike makes it a gateway into Pleasantville's Central Business District. Several businesses and restaurants upgraded and/or expanded during construction, including the Dunkin Donuts right next door.

HMFA provided \$9.7 million in construction financing and awarded federal Low Income Housing Tax Credits (LIHTCs), which generated approximately \$5 million in equity. The project also received approximately \$2.6 million in the Tax Credit Exchange Program (TCX) through the federal American Recovery and Reinvestment Act of 2009 for a total development cost of \$19.1 million.

Diocesan Housing Services Corporation developed the project and is the housing

development arm of the Diocese of Camden, which oversees the operations of four additional affordable senior projects in southern New Jersey.

HMFA is extremely proud to support affordable senior housing developments like the Village at St. Peter's that allow senior citizens on low, fixed incomes to age comfortably in place and maintain a sense of independence. Through cultivating community development, the Village at St. Peter's helps to create a better Pleasantville.





Mixed-Income Housing in a Park-Like Setting

Surrounded by peaceful and meticulously landscaped grounds, Washington Dodd Apartments is a 300-unit garden complex in the City of Orange, Essex County.

The three-story apartment complex consists of 18 buildings. Originally constructed in 1966, the aging buildings were in need of substantial rehabilitation. Upgrades completed include all of the common areas, replacement of the electric metering, installation of new wall air conditioning/heating units and new electric hot water heaters, as well as remodeled kitchens and bathrooms.

Helping the City of Orange sustain its economic diversity, Washington Dodd Apartments is a mixed-income development with 110 low-income units, 111 moderate-income units, and 78 market-rate units. The low-income units are occupied by residents earning less

than 50% of the Area Median Income (AMI), while the moderate-income units are occupied by those earning 50% to 80% of the AMI. The market-rate units are occupied by those earning more than 80% of the AMI.



The surrounding neighborhood is residential with single and multifamily dwellings in a beautifully wooded area. Washington Dodd Apartments is located near three hospitals, a business district,

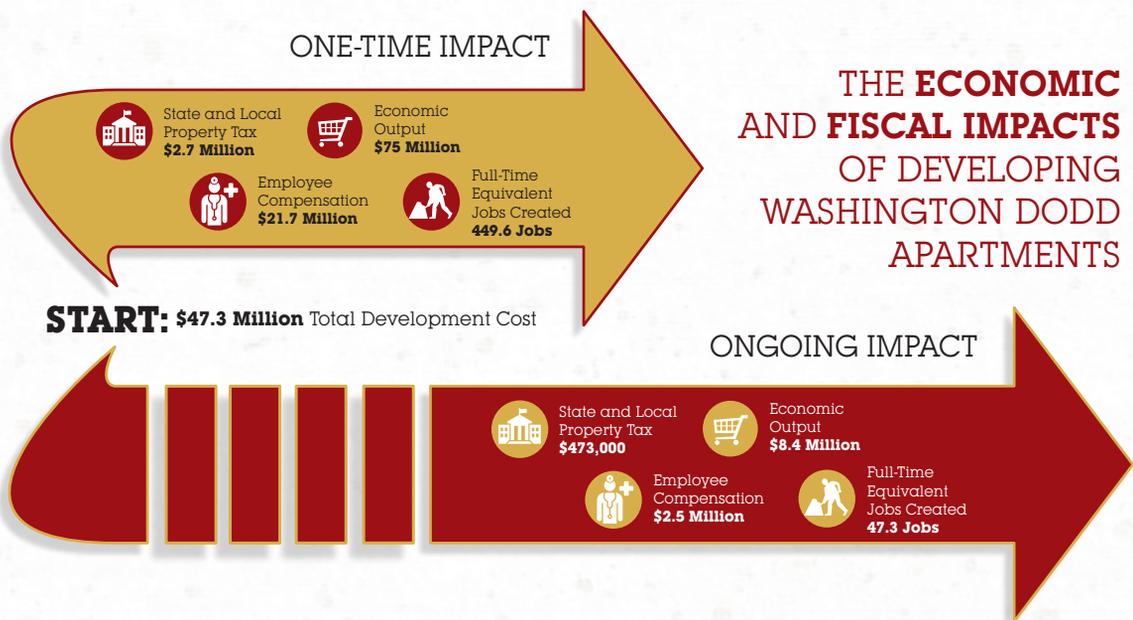
five elementary schools, a high school, the Garden State Parkway and Seton Hall University. New Jersey Transit provides bus service to the property and there is train service located a few blocks away.

The \$47.3 million project was made possible with \$17.6 million in funding from HMFA under the Conduit Bond Program, as well as Low Income Housing Tax Credits (LIHTCs) that generated \$5.8 million in equity. The Conduit Bond Program, created in August 2011, assists developers by acting as a conduit issuer of tax-exempt multifamily housing revenue bonds. The program opens new opportunities to qualified borrowers such as optimal bond pricing and AAA-rated bonds while simultaneously

utilizing the HMFA for tax-exempt bond volume cap and LIHTCs where appropriate.

NHP Foundation, a non-profit organization dedicated to making investments that preserve and create affordable multifamily housing for low- to moderate-income families and seniors, developed the project. The Foundation currently serves more than 20,000 residents in 24 communities, providing 6,000 housing units in 12 states and the District of Columbia.

Through the rehabilitation and renewal of an existing structure, Washington Dodd Apartments truly represents HMFA's mission of investing in projects that increase safe, affordable rental housing opportunities for families in New Jersey.





New Jersey HomeKeeper Program & Other Foreclosure Initiatives

Four years after the housing market collapse, approximately 11 million U.S. homeowners are underwater on their mortgages (Miller, 2012*), and thousands of New Jersey residents are still struggling to save their homes from foreclosure. Among New Jersey homeowners particularly in need are those who have a track record of making their mortgage payments on time, but are now at risk of losing their homes to foreclosure as a direct result of unemployment or underemployment. To assist these homeowners, the HMFA applied for and was awarded a grant of \$300 million from the U.S. Department of Treasury's Hardest Hit Fund, a federal foreclosure-prevention initiative. With this grant, the Agency developed and administered the New Jersey HomeKeeper Program, which offers homeowners at risk of losing their homes up to \$48,000

in forgivable mortgage assistance. The assistance, in the form of an interest-free, deferred-payment second mortgage loan, lasts for a period of up to two years. Loan proceeds may be used to cover the homeowner's monthly mortgage payment, including property taxes, property insurance, and mortgage insurance.

"I have been singing the praises and still thanking the good Lord and all of you who have helped me with my situation," said Barbara, a homeowner in Morristown, New Jersey, who received assistance from the HomeKeeper Program. "You all have truly changed my life."

In FY2012, HMFA was proactive in revising eligibility requirements and refining program guidelines to ensure that NJ HomeKeeper provided relief and assistance to as many homeowners

*Miller, J. (2012, 10 1). Issue brief: Housing. CBS News. Retrieved from http://www.cbsnews.com/8301-505103_162-57523544/issue-brief-housing

as possible. For example: eligibility was expanded for individuals who had become unemployed within 36 months, (up from the original 12 month period); the maximum Loan-To-Value ratio of 135% of the first mortgage was eliminated; applicants with a drop in income of at least 15% were now eligible (the threshold was previously 25%); homeowners with

a housing to income ratio greater than 25% were now eligible (down from 31%); and homeowners could apply regardless of when they purchased their home. These changes accompanied by an increase in staff to improve efficiency enabled HMFA to commit \$81.4 million in funding which assisted over 2,000 New Jersey homeowners.

“I have been singing the praises and still thanking the good Lord and all of you who have helped me with my situation,” said Barbara, a homeowner in Morristown, New Jersey, who received assistance from the New Jersey HomeKeeper Program...

“You all have truly changed my life.”

OTHER FORECLOSURE PREVENTION INITIATIVES

In addition to the New Jersey HomeKeeper Program, HMFA administered three other foreclosure programs:

The National Foreclosure Mitigation Counseling (NFMC) Program, which began in April 2008, is federally funded by NeighborWorks America and designed to provide homeowners with housing counseling services in an effort to prevent foreclosure. Housing counselors work with troubled homeowners and their lenders to negotiate a more affordable mortgage payment for the homeowners. In March 2012, NeighborWorks America awarded HMFA approximately \$1.3 million of funding through the NFMC. This funding enabled HMFAs 22 counseling agencies to provide assistance to over 2,000 NJ residents at risk of foreclosure.

The Mortgage Assistance Pilot (MAP) Program was designed to prevent homelessness by providing funding of up to \$20,000 per household to bring their mortgages current or to assist in the refinancing or modification of an existing mortgage. The assistance through MAP, funded through the Homeless Prevention Fund, was in the form of an interest-free loan which was payable upon sale or cash out refinance of the mortgage. HMFA coordinated with participating housing counseling agencies to determine program eligibility of applicants and prepare the loan packages for qualified applicants. HMFA provided approximately \$300,000 in total assistance through MAP to alleviate the financial hardships of 17 households.

The New Jersey Judiciary Foreclosure Mediation (NJJFM) Program was designed to resolve residential foreclosure actions by proposing work-out and payment arrangements or exit strategies that balance the interests of the borrower and lender with the help of neutral mediators. Homeowners receive notices about the program at three separate times throughout the foreclosure process and are eligible to participate in the program until a motion for judgment is issued. Since the program's inception in January 2009, over 10,000 homeowners completed mediation, including more than 2,000 in 2012 alone.

These programs, along with the NJ HomeKeeper Program, have played an important role in helping thousands of struggling families in New Jersey avoid or deal with foreclosure and prevent homelessness.



Infusing Affordable, Single Family, For-Sale Housing Into Red Bank

Preserving the charming residential character of its surroundings, Cedar Crossings is a beautiful townhome condominium community in “a cool little town” of Red Bank, Monmouth County.

The two-story condominium complex provides 36 affordable for-sale single-family homes for families in Monmouth County. Each semi-detached unit consists of an entrance foyer, living room, dining room, kitchen, two full bathrooms, two to three bedrooms, and on-site parking.

Located within Red Bank’s historic riverfront, Cedar Crossings is surrounded by a thriving central business district, scenic waterfront development area, neighborhood businesses, and is within walking distance of the NJ Transit train station that serves the North Jersey Coast Line. Residents enjoy outdoor festivals, concerts, and movies in the

streets and parks in the summer, and avail themselves to Red Bank’s numerous restaurants, trendy shops, coffee houses, art galleries and theaters all throughout the year.

Choices in Home Ownership Incentives Created for Everyone (CHOICE), HMFA’s comprehensive financing program for the development of newly constructed and substantially rehabilitated homeownership housing in New Jersey, features low market interest rate construction loans and construction subsidy funding for developers as well as favorable end loan financing for eligible homebuyers. CHOICE is intended to be a catalyst for the creation of viable homeownership markets in municipalities where home values currently do not support a sustainable new construction housing market.

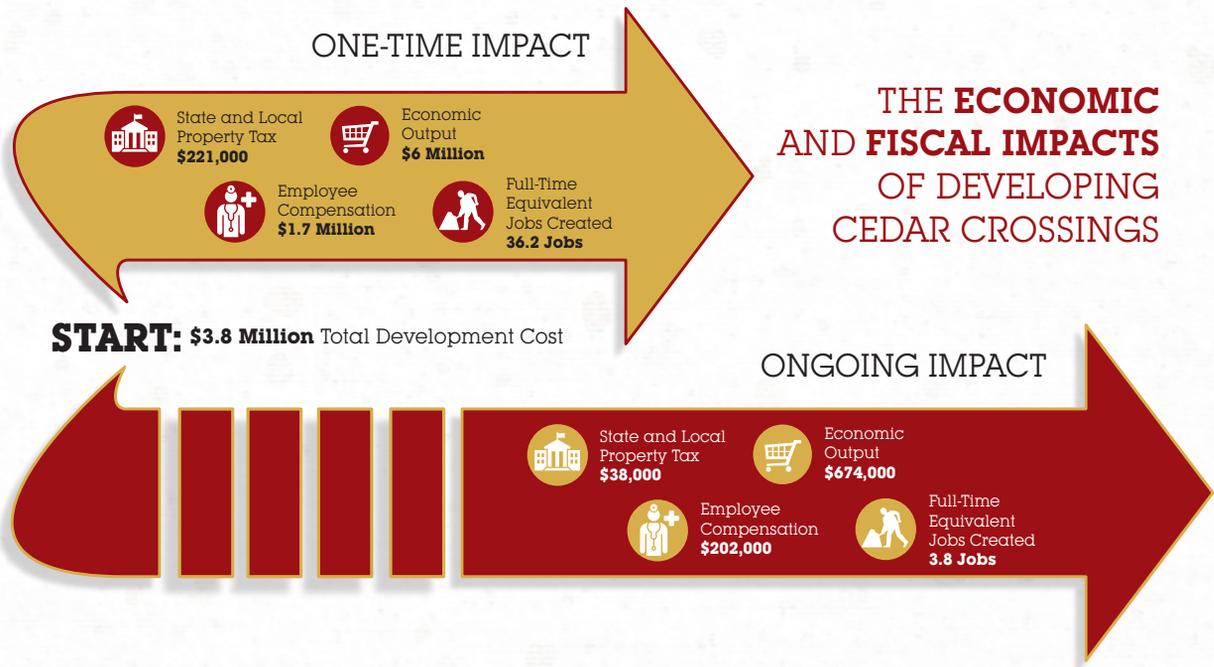
This project was completed in two phases for a total development cost of approximately \$8.3 million dollars. Twenty-two of the condominiums will be deed-restricted as affordable, priced between \$89,775 and \$147,500, and available to households with incomes at or below 50 percent to 80 percent of the Area Median Income (AMI).

HMFA provided approximately \$2 million in construction loans and \$3.6 million in subsidy allocations from the CHOICE Program, which assisted in this project becoming a reality.

The developer, Red Bank Affordable Housing Corporation, is a non-profit community housing development

organization chartered to promote, assist, and implement the development, construction, operation, management, sale, rehabilitation, renovation, and disposition of affordable residential housing and housing communities for low- and moderate-income families in Red Bank.

Cedar Crossings is a welcome infusion of quality affordable housing in Red Bank, which has become an increasingly expensive area in which to live after its retail renaissance two decades ago. Projects like Cedar Crossings provide affordable homeownership in social and cultural hubs of New Jersey and serve to enhance the quality of living for hardworking families in Monmouth County.



THE ECONOMIC AND FISCAL IMPACTS OF DEVELOPING CEDAR CROSSINGS





From Old Warehouse to **Integrated Housing**

Constructed on the former site of a deteriorating warehouse, Crescent Commons is a 17-unit special needs housing development designed specifically for individuals with developmental disabilities and Multiple Sclerosis in Allendale, Bergen County.

Situated on 1.5 acres, the development consists of three buildings that create a friendly interior courtyard. All units are wheelchair-accessible and offer a full bathroom, kitchen, pantry, and a mechanical closet room. The exterior of the buildings features gable roof lines and double-hung windows, blending into the pleasant residential character of the neighborhood. Handicapped-accessible parking is also available adjacent to each building.

Located in the small picturesque community of Allendale, Crescent

Commons is surrounded by residential homes, commercial office buildings, a church, and a shopping center with a supermarket. A 110-acre park across the street provides residents access to open space, recreational facilities and the town swim club, while Allendale's Central Business District offers them the NJ Transit train station, and an eclectic range of specialty shops, boutiques, and restaurants.

Crescent Commons was created and financed thanks to the collaboration of state, local and non-profit organizations. HMFA provided \$3.3 million through the Special Needs Housing Trust Fund (SNHTF), and funding was also provided by the United Way of Bergen County and the Department of Human Services' Division of Developmental Disabilities. The total development cost was \$4.6 million.

The SNHTE, established through the Special Needs Housing Trust Fund Act of 2005, creates permanent supportive housing and community residences as alternatives to institutionalization or homelessness for special needs individuals. Through the SNHTE, HMFA has been able to create a total of 213 supportive housing projects since its inception (more than 1,550 bedrooms). Although at this time the fund has been depleted, HMFA and our partners are working to restore the fund with affordable housing groups and special needs housing advocates.

The project developer, Allendale Housing Inc., is a private non-profit corporation created by the Mayor and Council of the Borough of Allendale.

Developments like Crescent Commons are excellent examples of state, local and non-profit partnerships effectively repurposing idle property to provide necessary accessible housing for individuals with developmental disabilities and Multiple Sclerosis in New Jersey.



ONE-TIME IMPACT



State and Local Property Tax
\$269,000



Economic Output
\$7.4 Million



Employee Compensation
\$2.1 Million



Full-Time Equivalent Jobs Created
44.1 Jobs

START: \$4.6 Million Total Development Cost

THE ECONOMIC AND FISCAL IMPACTS OF DEVELOPING CRESCENT COMMONS

ONGOING IMPACT



State and Local Property Tax
\$46,000



Economic Output
\$822,000



Employee Compensation
\$246,000



Full-Time Equivalent Jobs Created
4.6 Jobs



Transforming a Parking Lot into Green Homes for Disabled Veterans

For decades, the site of Clinton Hill Apartments was the empty parking lot of Deliverance Temple, a historic landmark of the City of Newark, Essex County. Today, the site has been converted into a four-story apartment community that provides 56 affordable rental units for veterans and low-income families.

Clinton Hill Apartments features on-site parking, a fitness center, computer rooms, meeting rooms, and a community and social service space. HELP Social Service Corporation, the social service provider for the residents of this project, uses the space to provide specialized services such as monthly educational, recreational, social and other programs that cater to the specific interests and needs for veterans as well as the community at large. Rents are available to households earning no more than 50%

of the Area Median Income (AMI), and 14 units are set aside for disabled veterans. Fourteen Section 8 vouchers awarded by the Newark Housing Authority further subsidized the affordability of the units.

Clinton Hill Apartments is the first LEED Platinum building in the area that is not only amenable to the environment, but also to a sustainable lifestyle. A spacious rooftop garden is available to tenants for growing fresh vegetables and socializing in the sun during the warmer seasons, and residents can easily walk to a bus stop directly across the street and to neighborhood convenience and discount stores along Clinton Hill Avenue.

Compelled to turn the lot into a sustainable solution for the historic and somewhat beleaguered neighborhood, HELP Development Corporation partnered with HMFA and other public

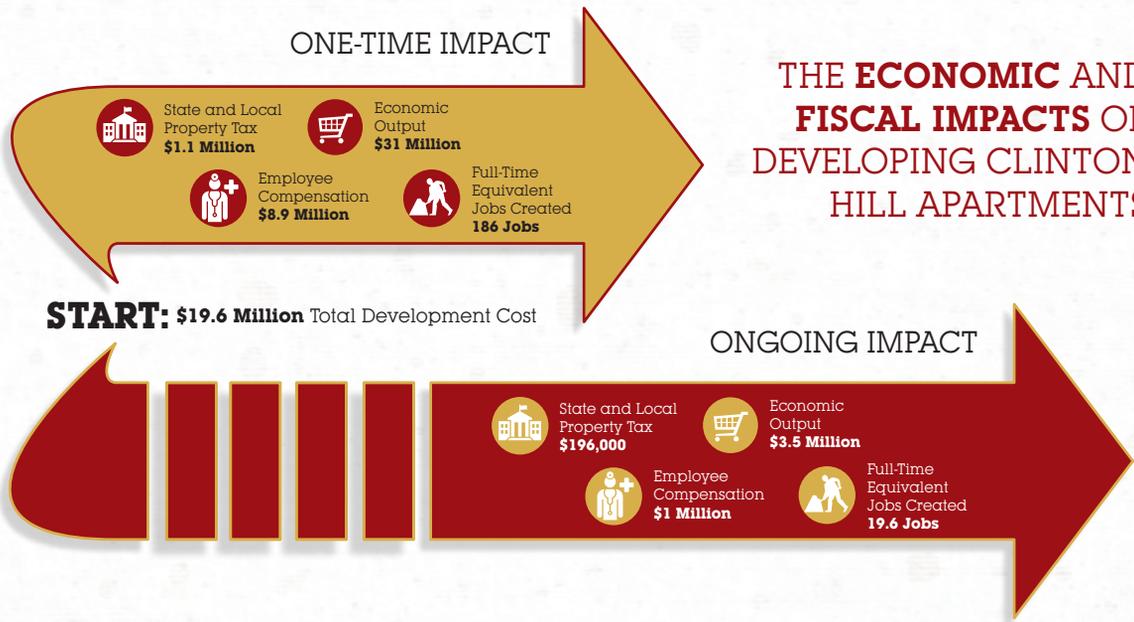
and private sector organizations to finance the project. HMFA awarded \$1.67 million in federal Low Income Housing Tax Credits to HELP Development Corporation which generated approximately \$11.7 million in private equity. The total project costs were \$19.5 million.

HMFA is the administrator of the federal Low Income Housing Tax Credits (LIHTC) for New Jersey. These provide a dollar-for-dollar reduction in federal tax liability and act as a catalyst to attract private investment into the affordable housing market. New Jersey is annually allocated approximately \$18 million in LIHTCs and the sale of the credits produces over \$162 million in project equity. Currently, there are more than 500 projects statewide in HMFA's portfolio that

contain over 32,000 units. HMFA assists with the rehabilitation or construction of approximately 20 projects annually.

The project's developer, HELP Development Corporation, is an affiliate of HELP USA, Inc., a national non-profit organization with a mission to empower the homeless and others in need to become and remain self-reliant.

Clinton Hill Apartments is a superb example of the limitless possibility of public-private partnerships within the realm of affordable housing. The transformation of a vacant lot into safe, green, sustainable and affordable homes for veterans and low-income families in Newark perfectly embodies HMFA's housing goals for residents throughout the State of New Jersey.

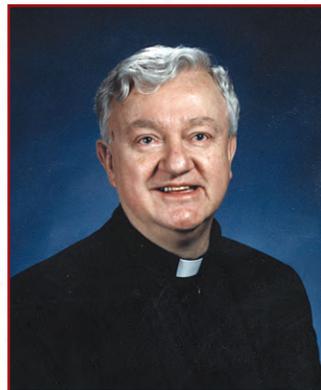




Richard E. Constable, III
Commissioner
Department of Community Affairs



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KENNETH E. KOBYSLOWSKI
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Department of Banking & Insurance



PATRICIA MUELLER
Public Member
Director, NJ Regional Council of Carpenters



STANLEY M. WEEKS
Public Member
VP, City National Bank of NJ

OVERALL PRODUCTION

- HMFA, through its multifamily lending and preservation loan programs, committed funding for the construction/rehabilitation and/or preservation of more than 1,700 units of affordable housing. HMFA funding for these units totals \$130 million and will generate one-time project development-related economic impacts of 1,560 jobs and \$277 million in economic activity.
- The Single Family Division funded close to 1,000 mortgages under its numerous loan programs which are designed to assist homebuyers with affordable homeownership opportunities. Close to 70% of the First-Time Homebuyer mortgagors received downpayment and closing cost assistance under the Smart Start program.

As New Jersey's sole administrator of

LIHTC
(Low Income Housing Tax Credits)

\$18.9M
in competitive nine percent tax credits
resulted in more than

\$180M
of tax credit equity
for the rehabilitation and construction of

1,000 UNITS
of affordable housing

- Through HMFA's Choices in Home Ownership Incentives Created for Everyone (CHOICE) Program, construction and/or rehabilitation of 132 Homeownership units was committed with more than \$10.5 million in HMFA funding and nearly \$10.1 million in subsidy.
- As the sole administrator of the federal Low Income Housing Tax Credit Program in New Jersey, HMFA awarded over \$18.9 million in competitive nine percent tax credits. This resulted in over \$180 million in tax credit equity for the rehabilitation and/or new construction of nearly 1,000 units of affordable housing across the state.
- The Qualified Allocation Plan (QAP), which details the selection criteria and application requirements

for both 9% and 4% Low Income Housing Tax Credits, underwent substantial revision, including a new 100-point ranking scale for nine percent applications and new housing priorities near high-performing schools, accessible transit and high employment areas.

- Under the supervision of HMFA's Technical Services Division, which is involved in the design and construction of multifamily housing through site inspections, site approvals, review of schematic submissions, cost estimating, design development, final contract documents, construction monitoring, repairs and replacements for existing projects, and inspection of existing Low Income Tax Credit assisted projects, 13 multifamily rental projects were completed, providing housing for 790 families and 144 seniors.
- The Agency gained market acceptance for its Conduit Bond Financing Program in 2012 with the issuance of \$65.7 million of conduit bonds, funding the construction, rehabilitation and/or preservation of 675 multifamily units.
- HMFA committed \$777,655 in Developmental Disabilities Housing Program funds to create 12 permanent supportive housing units for individuals with developmental disabilities in Monmouth County, and committed \$65,732 in Special Needs Revolving Loan Program funds to create 30 units in Essex County.

- Over \$13.7 million has been committed from the Special Needs Housing Trust Fund (SNHTF) Program, which will create approximately 234 supportive housing units throughout the state.
- HMFA has continued to administer the state's Homeless Management Information System (HMIS) to collect data on households that are receiving homeless services and entering and leaving shelters and transitional housing. The HMIS data system now serves 267 agencies throughout New Jersey. This year, the HMIS staff developed bio-metric technology to improve client data capture and provided real time bed availability to HUD and the U.S. Department of Veterans Administration in Washington, D.C. every six hours.
- The New Jersey Housing Affordability Service (HAS) placed 102 families in new construction affordable homes, and resold 29 affordable housing units. HAS contracted with 40 municipalities as their administrative agent and administered over 4,100 affordable ownership and rental units in over 60 municipalities across the state.
- The Property Management Division continues to monitor a growing multifamily housing portfolio of approximately 500 projects comprising approximately 51,000 units throughout the state for physical, and financial compliance with the Agency's regulatory agreement for project financing.
- The Camden Home Improvement Program (CHIP) Phase IV and the Camden Program Offering Widespread Energy Recovery (POWER) will provide assistance for rehabilitation, life safety, and energy efficiency repairs for 320 homeowners living in Camden.
- The Divisions of Loan Closings and Regulatory Affairs closed 60 transactions involving multifamily and special needs housing developments in 2012. The new financing closings will help create 2,091 units of affordable and special needs housing throughout the state.
- **MOVING CAMDEN FORWARD**
HMFA implemented property acquisition on 22 residential properties in the City of Camden, and helped relocate 13 families and one commercial property owner to facilitate the construction of the Cooper Medical School of Rowan University (CMSRU) that opened in August 2012 at the university's Camden campus. The construction has supported students and employees of the medical school and helped revitalize the neighborhood and its local economy.

SNHTF
(Special Needs Housing Trust Fund)
committed more than
\$13.7M
in funding that will create
234 UNITS
of supportive housing

CAPITAL MARKETS

- HMFA issued \$93.16 million of Multifamily Revenue Bonds to fund 15 new-money projects for a total of 1,080 units.
- Moody's confirmed its Aa2 rating on the Single Family Housing Revenue Bonds resolution, and upgraded the outlook.
- Standard and Poor's Rating Services (S&P) affirmed its AA (stable outlook) Issuer Credit Rating (ICR) on HMFA.
- In 2012, HMFA took Deeds in Lieu of Foreclosure for two multifamily developments with mortgages held under the Multifamily Housing Revenue Bond Resolution and the General Fund. As a result, the multifamily housing component recorded a net recovery of \$19.4 million in its provision for loan loss.
- As of January 1, 2012, HMFA had total variable rate bonds outstanding in the amount of \$347.6 million (excluding bond maturities scheduled to occur in 2012) whose related liquidity facilities were scheduled to expire in 2012. The Agency successfully resolved its entire 2012 liquidity expiration exposure of \$347.6 million by taking the following actions:
 - March 2012: Replaced \$100.2 million single family liquidity facility with a new provider (Barclays Bank PLC).
 - May 2012: Replaced \$24.6 million single family liquidity facility with a new provider (TD Bank, N.A.).
 - November 2012: Replaced \$36.4 million MF liquidity facility with a new provider (Bank of New York Mellon) and replaced a \$25.9 million multifamily liquidity facility set to expire in March 2013 with a new provider (Bank of New York Mellon).
 - Throughout 2012: Extended \$186.5 million MF liquidity facility with current provider (Dexia).

ENERGY EFFICIENCY AND RENEWABLE ENERGY PROGRAMS

- HMFA received \$26 million from the Department of Community Affairs' (DCA) Weatherization allocation as part of the American Recovery and Reinvestment Act (ARRA) of 2009 to fund weatherization upgrades to 41 HMFA-financed multifamily rental properties, representing approximately 4,607 units of affordable housing. By the end of October 2012, all projects finished construction and were approved by DCA. The Green Homes Office tracked the energy savings of the projects that participated in the weatherization program. The total energy savings is estimated to exceed 27 million kWh, or approximately \$433,635 in annual energy costs.

- Through the Multifamily Solar Funding Pilot, the HMFA finished construction of 13 solar projects in 2012. HMFA offered the Multifamily Solar Funding Pilot for the construction of solar energy projects on income qualified multifamily buildings throughout NJ. Over \$7 million in American Recovery and Reinvestment Act funds were allocated to achieve this goal. Through this program, 6,142 solar panels were installed on 13 buildings generating approximately 1237.5 kW (1.24 Megawatts) of electricity per year. These projects are expected to save a combined \$2,821.50 per day. HMFA collected 328 SRECs from the projects that participated in the Solar Loan Pilot program for the 2012 energy year.

- Under the Energy Benchmarking Program, HMFA monitored and benchmarked the energy performances of 42 HMFA-funded multifamily developments to better calculate the utility allowance for HMFA-financed properties.

- The Home Energy Saver Program, which provides 0% interest rate financing to eligible homeowners for home energy efficiency improvements carried out in conjunction with the NJ Clean Energy Program, closed 85 loans at a value of approximately \$829,000.

As part of the American Recovery and Reinvestment Act (ARRA) of 2009

\$26M
funded weatherization upgrades to

4,607 UNITS

of rental housing
resulting in total energy savings of

27 M kWh
The upgrades will save a total of approximately

\$433,635
in annual energy costs

OTHER ACCOMPLISHMENTS AND HIGHLIGHTS

SUPERSTORM SANDY

Superstorm Sandy struck New Jersey on October 29, 2012, inflicting major physical damage to approximately 40,500 owners' primary residences and over 15,600 renter occupied homes. Among those affected by the storm, low- and moderate-income households were severely impacted. More than 70% of renters who reported damage to their homes were of low- to moderate-income, and nearly half of those who applied for Federal Emergency Management Agency (FEMA) Individual Assistance were of low- to moderate-income. The storm also left households with special needs especially vulnerable by damaging or displacing support networks, creating accessibility issues and increasing the costs of living. Special needs populations displaced by Hurricane Sandy included adults, children, and youth who are homeless or at risk of homelessness, have intellectual or developmental disabilities, physical disabilities, or behavioral health needs.

NEW JERSEY HOUSING RESOURCE CENTER (NJHRC)

The New Jersey Housing Resource Center (NJHRC), HMFA's award-winning free online database of affordable and accessible housing units available throughout New Jersey, proved to be especially critical for displaced residents in search of temporary housing in the aftermath of Hurricane Sandy.

Since its inception in 2005, the NJHRC has enabled residents to search for housing according to their needs anonymously, without conducting any "cold calls" or visits, an arduous task for people with special needs or without easy access to public transportation or a car. In partnership with the Department of Community Affairs (DCA), and the New Jersey Department of Human Services-Division of Disability Services (DHS-DDS), HMFA contracted with Social Serve, a non-profit national provider of housing location services, to operate the NJHRC website and a bilingual toll-free call center to assist consumers without access to a computer. The NJHRC website, accessible at www.njhrc.gov, offers 30 general and advanced search fields, and features a median income calculator and rent affordability tools that help renters locate properties that they can afford.

In response to the severe housing shortage after Hurricane Sandy, HMFA contracted with Social Serve to significantly enhance the services available through the NJHRC. This included conducting phone research and direct outreach to property providers to secure new listings of available units, constantly updating vacancy information, and working closely with the Federal Emergency Management Agency (FEMA). Specifically, Social Serve exported all viable listings from FEMA's National Emergency Management Information System (NEMIS) to the NJHRC site, allowing for one designated portal for available units. In addition, Social Serve shared information with the FEMA field offices and Disaster Relief Centers (DRCs) for their direct use, and referred FEMA inquiries to the NJHRC call center for housing search assistance. FEMA staff and relief workers used the NJHRC site every day to help Sandy survivors locate more permanent housing in addition to their own temporary assistance program. The efforts of the NJHRC Call Center and the website combined resulted in an increase of 55% more available unit listings than before Hurricane Sandy. Moreover, the NJHRC's user-friendly interface and accurate data became so popular that FEMA decided to use the NJHRC housing registry as the official list of available affordable housing for the State of New Jersey.

2012 AWARDS

- HMFA's CHOICE Program received the Robert C. Larson Workforce Housing Public Policy Award from the Urban Land Institute for innovative policies and practices for the development of workforce housing. The award recognizes innovative state and local policy initiatives that provide ongoing and sustainable support for workforce housing.
- HMFA's CHOICE Program also received the 2012 Award for Program Excellence in Homeownership from the National Council of State Housing Agencies (NCSHA) for encouraging new production. NCSHA is a non-profit, non-partisan organization created by the nation's state Housing Finance Agencies (HFAs) to coordinate and leverage their federal advocacy efforts for affordable housing.



FINANCIAL HIGHLIGHTS

SINGLE FAMILY PROGRAM AVERAGE COMPARISON

	ALL PROGRAMS	HOMEBUYER PROGRAM	LIVE WHERE YOU WORK	POLICE AND FIREFIGHTERS	OTHER PROGRAMS	SMART START
TOTAL # OF LOANS	1278	636	57	262	4	319
TOTAL DOLLAR VOLUMES	\$197,641,984	\$103,843,085	\$12,045,619	\$78,850,304	\$731,555	\$2,171,421
AVERAGE SALE PRICE	\$218,845	\$173,283	\$244,515	\$368,454	\$241,667	\$179,815
AVERAGE LOAN AMOUNT	\$143,469	\$163,275	\$211,327	\$300,955	\$182,889	\$6,807
AVERAGE ANNUAL INCOME	\$75,057	\$60,392	\$58,820	\$126,996	\$83,863	\$62,060
AVERAGE BORROWER AGE	39	37	36	38	33	39
AVERAGE HOUSEHOLD SIZE	3	2	4	2	3	3

MULTIFAMILY MORTGAGE BONDS AND CONDUIT BONDS

BOND ISSUE	ISSUE SIZE	RATINGS: MOODY'S	DATE ISSUED	PROGRAM/PROJECT FUNDED	TAX STATUS
MF 2012 A CONDUIT (ASBURY PARK GARDENS)	\$14,310,000	AA+	7/1/2012	conduit financing for 170 units	Tax-Exempt
MF 2012 A-F	\$93,155,000	A+	6/6/2012	15 new-money loans/1,080 units	Tax-Exempt and Taxable
MF 2012 C-1 AND C-2 CONDUIT (CARL MILLER)	\$31,655,996	N/A	12/28/2012	conduit financing for 204 units	Tax-Exempt
MF 2012 F CONDUIT (WASHINGTON DODD)	\$19,755,000	Aaa	12/21/2012	conduit financing for 301 units	Tax-Exempt

To access HMFA's complete 2012 financial report, visit <http://www.njhousing.gov/media/investor/#2>



NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY

The New Jersey Housing and Mortgage Finance Agency is a self-sufficient agency of state government that is dedicated to offering New Jersey residents affordable and accessible housing. NJHMFA receives no state appropriation.

For more information about New Jersey Housing and Mortgage Finance Agency please visit us online at www.njhousing.gov or call 1-800-NJ HOUSE (654-6873).

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