

PROGRESS REPORT

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STRENGTHENING FAMILIES.

STRENGTHENING COMMUNITIES.

STRENGTHENING NEW JERSEY.

A table crowded with family and food at the holidays. A child doing homework at a well-lighted desk. A window box full of flowers.

Housing has always been more than a roof overhead. A good home strengthens families, fortifies neighborhoods and secures the future of the entire state.

Professionals in the housing and community development field, whether in the private, public or non-profit sectors, share a mission to see that every family in New Jersey has a safe and decent place to call home. We also share, as this report illustrates, a substantial record of achievement.

We have increased the supply of affordable housing and raised its quality to match the rising aspirations of its residents. We have pushed home ownership to an all time high by tearing down barriers for young families, single parents and new immigrants. Furthermore, our community



development programs have strengthened neighborhoods in cities and in older suburbs where a remarkable story of revitalization is taking place.

As this document shows, there is much to be proud of. The local communities of New Jersey have put the state's programs and resources to good use. But it is also too soon to celebrate. As long as anyone still lacks a decent place to live, on terms that they can afford, our work is not finished, and our programs and resources must continue to work to fill those needs.

Building Sustainable Communities... Investing in New Jersey's Future.

Since 1994, New Jersey programs have helped finance \$3.1 billion in housing opportunities:

- 11,080 new rental units
- 18,346 new home owners
- 57,000 new construction jobs



URBAN HOME OWNERSHIP RECOVERY PROGRAM (UHORP)

The Urban Home Ownership Recovery Program is helping more families achieve the dream of home ownership. UHORP provides developers and non-profit housing sponsors with financing for the construction of for-sale housing featuring a mix of market-rate and affordable units. Since the program's inception in 1996, a total of 77 projects have been approved for construction in designated urban centers across the state, yielding 2,402 units. A winner of the National Council of State Housing Agency's Housing Production Award, UHORP is offered through the New Jersey Housing and Mortgage Finance Agency.

"TOO GOOD, BUT IT'S TRUE" HOME BUYER MORTGAGES

A 30-year mortgage at 5 percent interest and zero points sounds almost too good to be true. The "Too Good, But It's True" program, however, has been offering those terms to qualified homebuyers purchasing homes in neighborhoods receiving assistance from the Urban Coordinating Council (UCC). The New Jersey Housing and Mortgage Finance Agency has helped 405 families with \$35.5 million in mortgages.

NEW JERSEY URBAN SITE ACQUISITION PROGRAM (NJUSA)

The New Jersey Urban Site Acquisition Program is a tool to help communities take action on those boarded-up buildings, abandoned lots and former industrial sites that stand as obstacles to positive change. This revolving loan fund facilitates the acquisition, site preparation and redevelopment of properties in a designated redevelopment area. Since 1999, NJRA and HMFA have combined investments of \$30.1 million to support \$419.1 million in development. NJUSA is available for developers, both for-profit and non-profit, as well as government agencies, in communities eligible to receive assistance from the New Jersey Redevelopment Authority.

FAITH-BASED COMMUNITY DEVELOPMENT INITIATIVE

The Faith-Based Community Development Initiative is expanding opportunities for the state's faith-based organizations to provide social services and lead neighborhood revitalization efforts. Established in 1998 by the New Jersey Department of Community Affairs, the Faith-Based Initiative is the first state-wide program of its kind in the nation. To date, nearly \$15 million has been awarded to approximately 191 faith-based groups in New Jersey that assist low-income people by providing services such as child care, job training, youth mentoring, after-school programming, care for the elderly and medical assistance.

COOL CITIES

Camden, East Orange, Jersey City, New Brunswick, Newark, Paterson and Trenton are participating in a \$14 million urban home-ownership initiative that gives low- and moderate-income families a chance to buy homes incorporating special energy-saving features. The Cool

Cities initiative is the result of a financial partnership involving the DCA, Fannie Mae and Public Service Electric & Gas (PSE&G). Under the partnership, Fannie Mae has committed to purchase \$14 million in loans that will underwrite both construction costs for builders and mortgages of individual homebuyers. The program will produce 150 new or rehabilitated single-family or two-family homes.

UPSTAIRS-DOWNTOWN REHABILITATION LOAN PROGRAM

The storefront business with apartment upstairs is a vital part of traditional downtowns, and the New Jersey Housing and Mortgage Finance Agency created a loan product just for it. The Upstairs-Downtown Program offers reduced-rate loans for small business owners and investors to buy, improve or refinance buildings with a ground floor business and the potential for up to four apartments. With a loan portfolio of \$11.4 million and 81 properties, the Upstairs-Downtown Program is helping small businesses revive the mixed-use vitality of downtowns and neighborhood commercial districts.

MAIN STREET NEW JERSEY/DOWNTOWN REVITALIZATION INSTITUTE

The Main Street New Jersey program enables local communities to capitalize on the unique strengths of their traditional downtown business districts. Through the program, the New Jersey Department of Community Affairs provides select communities with resources, technical assistance and training in the "Main Street Method," a proven approach for reviving downtowns and central business districts pioneered by the National Trust for Historic Preservation. Since 1990, the preservation-based Main Street approach has generated a total of 649 new businesses, 3,678 new jobs and more than \$115 million in private investment in building improvement projects. The leverage of private dollars has also been remarkable. For every one dollar used to operate a local Main Street program in New Jersey, \$26 dollars has been invested. The Main Street Program's approach is also taught through DCA's Downtown Revitalization Institute, featuring quarterly seminars about how to create successful downtowns.

HOME OWNERSHIP PERMANENCY PROJECT

The Permanency Project is designed to reduce the number of children in foster care by helping adoptive families improve and enlarge their homes to accommodate new children. Below-market mortgages with 100 percent financing are available for qualified adoptive families through this innovative program launched by the New Jersey Housing and Mortgage Finance Agency and the New Jersey Department of Human Services.

SMART GROWTH PLANNING GRANTS

Promoting community-based planning that will direct future growth and lead to more livable communities is the goal of New Jersey's Smart Growth Planning Grants. The Department of Community Affairs' Office of State Planning has so far awarded 21 Smart Growth Planning Grants totaling \$6 million to support a broad range of county and local planning initiatives.

NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS (DCA)

Program or Division	Phone Number	E-mail	Web address
Division of Housing and Community Resources	609-633-6303	dhcr@dca.state.nj.us	www.state.nj.us/dca/dhcr/
Balanced Housing Program	609-633-6285	wrainwater@dca.state.nj.us	www.state.nj.us/dca/dhcr/prodprog.htm
Downtown Living Program	609 633-6302	rmontemore@dca.state.nj.us	www.state.nj.us/dca/dhcr/downtown.htm
Main Street Program	609-633-9769	msnj@dca.state.nj.us	www.state.nj.us/dca/dhcr/msnj.htm
Neighborhood Preservation Program	609-633-6283	tschrider@dca.state.nj.us	www.state.nj.us/dca/dhcr/prodprog.htm
New Home Warranty Program	609-984-7910	dyedwab@dca.state.nj.us	www.state.nj.us/dca/codes
Office of Faith-based Initiatives	609-984-6952	ewilliams-alston@dca.state.nj.us	www.state.nj.us/dca/dhcr/faith.htm
Office of Green Homes	609-292-3931	njgreenhomes@aol.com	www.state.nj.us/dca/dhcr/njgreenhomes.htm
Office of Housing Advocacy	609-292-2213	mpincelli@dca.state.nj.us	www.state.nj.us/dca/dhcr/taprog.htm
Rehabilitation Subcode	609-292-7899	dyedwab@dca.state.nj.us	www.state.nj.us/dca/codes/rehab/rehab.htm
Small Cities Program	609-633-6278	rhoeh@dca.state.nj.us	www.state.nj.us/dca/dhcr/prodprog.htm

NEW JERSEY HOUSING & MORTGAGE FINANCE AGENCY (HMFA)

Program or Division	Phone Number	E-mail	Web address
Developer – Sponsor Programs			
Low Income Housing Tax Credits (LIHTC)	609-278-7578	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Multi-Family Development	609-278-7518	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Special Needs Housing	609-278-7495	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Urban Home Ownership Recovery Program	609-278-7553	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Consumer Programs			
Home Buyer Mortgages & Upstairs-Downtown	800 NJ HOUSE (800-654-7521)	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Developmental Disabilities Mortgages	609-278-7521	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com
Reverse Mortgages for Older Citizens	609-278-7559	webmaster@njhmfa.state.nj.us	www@nj-hmfa.com

OFFICE OF STATE PLANNING (OSP)

Program or Division	Phone Number	E-mail	Web address
Smart Growth Planning Grants & Community Schools	609-292-7156	newcomb_c@tre.state.nj.us	www.njstateplan.com
Planning Grants			
New Jersey State Development and Redevelopment Plan	609-292-7156	bird_k@tre.state.nj.us	www.njstateplan.com
Brownfields Task Force	609 777-4611	petrizzo_j@tre.state.nj.us	www.njbrownfields.com

NEW JERSEY REDEVELOPMENT AUTHORITY (NJRA)

Program or Division	Phone Number	E-mail	Web address
Main Number	609-292-3739	njra@njra.state.nj.us	www.state.nj.us/njra/
Brownfields	609-292-3739	njra@njra.state.nj.us	www.state.nj.us/njra/browns.html
UCC Mapping	609-633-7536	njra@njra.state.nj.us	njgeodata4.state.nj.us/website/ucc

COUNCIL ON AFFORDABLE HOUSING (COAH)

Program or Division	Phone Number	E-mail	Web address
Main Number	609-292-3000	COAH@dca.state.nj.us	www.state.nj.us/dca/coah



NEIGHBORHOOD PRESERVATION PROGRAM

The Department of Community Affairs' Neighborhood Preservation Program empowers local residents to take the lead in restoring their communities through partnerships with local officials and the private sector. The state provides the seed money – \$525,000 over five years – to support needed improvements to homes, infrastructure, parks and playgrounds. These dollars in turn help secure funding from the private sector, the municipality and the federal government. All municipalities are eligible to apply. Each year, DCA invests more than \$3.5 million into NPP neighborhoods.

URBAN COORDINATING COUNCIL (UCC)

With representation from all areas of state government, the Urban Coordinating Council works with designated urban areas to implement neighborhood-based plans and strategies for revitalization. The UCC, administered by the New Jersey Redevelopment Authority, assists select neighborhoods by coordinating government, private sector and non-profit resources to meet needs that local residents identified in their own redevelopment plans. Benefits to UCC neighborhoods include priority consideration in applications for grants and loans, services and technical assistance from departments of state government through a special inter-agency team and a state-funded community director. To date, 16 neighborhoods have been selected for UCC assistance.

UNSAFE BUILDINGS DEMOLITION LOAN FUND

The \$20 million Unsafe Buildings Demolition Loan Fund provides financing for the demolition of dangerous and abandoned buildings in urban and rural communities. The DCA program has so far provided \$14.7 million in low-interest loans for demolition projects in 17 municipalities.

DOWNTOWN LIVING

Attracting more middle-income families to cities is the goal of Downtown Living, a DCA program that provides funding to help developers build market rate apartments in urban areas. A total of \$15 million has already been committed to a variety of impressive projects, including the conversion of a former textile mill in Paterson into apartments, and a former office building in downtown Newark into upscale lofts.

BROWNFIELDS TASK FORCE AND PROGRAM

As New Jersey's once mighty industrial cities retool for the future, they face the challenge of reclaiming the land industry left behind. Helping municipalities return these under-used and possibly contaminated sites to productive use is the mission of the Brownfields Program. Located in the Office of State Planning, the Brownfields Program offers developers and municipalities one-stop shopping for state and federal resources on all phases of brownfields reclamation, from planning and remediation, to marketing and redevelopment. Brownfields Program staff also provide valuable support to the state Brownfields Task Force. Comprised of members from the public and private sectors, and chaired by DCA Commissioner Jane M. Kenny, the Brownfields Task Force is studying additional ways to encourage the cleanup and reuse of contaminated sites.

BROWNFIELDS REDEVELOPMENT INITIATIVE

The Brownfields Redevelopment Initiative has provided \$15 million in grants to help urban municipalities acquire and clean up contaminated properties that are part of a redevelopment plan. The program, administered by the New Jersey Redevelopment Authority, enables eligible municipalities to take a leadership role in returning former industrial sites to productive use.

BALANCED HOUSING

DCA's Balanced Housing Neighborhood Preservation Program provides grants and loans to create quality housing that is affordable to low- and moderate-income families, as well as to senior citizens. Affordable housing opportunities are making a real difference in the lives of New Jersey residents and the vitality of the neighborhoods. Balanced Housing has helped produce 6,080 affordable rental units in the last eight years.

SUSTAINABLE DEVELOPMENT/ AFFORDABLE HOUSING PILOT PROGRAM

In an effort to make its affordable housing both low cost to people and low cost to the environment, the New Jersey Department of Community Affairs created an incentive program that challenged developers to build energy-efficient and environmentally sound homes for people of lower incomes. This initiative is financing the construction of eight developments with a total of 365 units featuring the very best in energy-efficient technology and environmental sustainability. Based on that program's success, New Jersey now requires all developers of affordable housing to achieve higher standards for energy efficiency and environmental design to qualify for state funding.

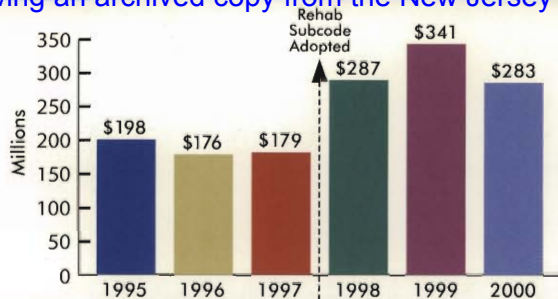
COMMUNITY SCHOOLS PLANNING PROGRAM

The largest school construction and reconstruction initiative in the history of New Jersey creates an unprecedented and exciting opportunity to more fully integrate school facilities into the fabric of communities. DCA, together with the Office of State Planning, the NJRA, DOE and the Economic Development Authority, sponsor a school construction initiative to encourage school officials, municipal officials, architects and engineers to rethink the function, design and locations of schools to make them true centers of the community.

REHABILITATION SUBCODE

Modern building codes have long posed an obstacle to urban revitalization. The problem is that modern codes were written for new construction. Applying these rules to older buildings often resulted in prohibitively expensive alterations that carried little if any safety benefit. The Department of Community Affairs' Rehabilitation Subcode changed all that. Adopted in 1998, the "rehab code" is the first construction code in the nation written just for older buildings. By taking a more flexible, common sense approach, the rehab code sparked an amazing 65 percent increase in rehabilitation work in New Jersey's five largest cities since its introduction. The code's significance was nationally recognized in 1999 when it captured the prestigious Innovations in American Government Award, one of several honors it received.

Rehabilitation work has gone up by 65% in New Jersey's major cities since the adoption of DCA's Rehabilitation Subcode.



Amount of rehabilitation work authorized by building permits for NJ's five largest cities. (Newark, Jersey City, Paterson, Elizabeth and Trenton)

1994-2001 Housing Activity \$3.1 Billion in Housing Development

Sussex

Single Family Units: 302
Multi-family Units: 6
Total Development: \$34,571,776

Warren

Single Family Units: 260
Multi-family Units: 8
Total Development: \$29,123,858

Morris

Single Family Units: 737
Multi-family Units: 533
Total Development: \$153,110,020

Somerset

Single Family Units: 492
Multi-family Units: 6
Total Development: \$55,704,509

Hunterdon

Single Family Units: 176
Multi-family Units: 67
Total Development: \$24,924,015

Mercer

Single Family Units: 1387
Multi-family Units: 568
Total Development: \$200,931,290

Camden

Single Family Units: 2,502
Multi-family Units: 982
Total Development: \$273,477,621

Gloucester

Single Family Units: 1235
Multi-family Units: 330
Total Development: \$141,219,854

Salem

Single Family Units: 306
Multi-family Units: 0
Total Development: \$23,771,166

Cumberland

Single Family Units: 692
Multi-family Units: 103
Total Development: \$68,230,046

Cape May

Single Family Units: 106
Multi-family Units: 210
Total Development: \$26,614,832

Passaic

Single Family Units: 565
Multi-family Units: 643
Total Development: \$168,515,478

Bergen

Single Family Units: 630
Multi-family Units: 670
Total Development: \$177,351,968

Hudson

Single Family Units: 394
Multi-family Units: 1097
Total Development: \$179,837,999

Essex

Single Family Units: 1700
Multi-family Units: 1542
Total Development: \$356,095,071

Union

Single Family Units: 901
Multi-family Units: 482
Total Development: \$145,657,170

Middlesex

Single Family Units: 1536
Multi-family Units: 733
Total Development: \$260,134,738

Monmouth

Single Family Units: 954
Multi-family Units: 1016
Total Development: \$222,155,349

Ocean

Single Family Units: 1143
Multi-family Units: 104
Total Development: \$121,537,490

Burlington

Single Family Units: 1,557
Multi-family Units: 967
Total Development: \$202,005,348

Atlantic

Single Family Units: 771
Multi-family Units: 281
Total Development: \$94,451,291

INVESTING IN OUR CITIES

For decades, the neighborhood on the border of New Brunswick and Franklin Township struggled. As downtown New Brunswick rebounded through reinvestment, this community remained in the shadows, its housing stock deteriorating, its industrial base shrinking and its residents doubting if anyone cared. Out of those ashes, however, a better place is now rising, with new development, new investment and new programs and services for residents.

Not long ago, Perth Amboy's central business district was just another faded downtown. Today, it's a vibrant and inviting retailing environment with more than 400 stores and businesses.

The "Renaissance 2000" area on the New Brunswick-Franklin border and downtown Perth Amboy are just two of the urban areas in the state benefiting from

membership in New Jersey's Urban Coordinating Council, or UCC.

The UCC, established in 1994, brings all departments and agencies of state government together and puts them to work in the service of local neighborhood improvement plans.

The 16 urban neighborhoods located in 14 New Jersey cities that now participate in the UCC receive benefits including priority consideration for grants and loans, services and technical assistance from all departments of state government and a state-funded community director who serves as an on-site manager.

This coordinated, community-driven approach and the special status conferred by UCC membership has resulted in hundreds of millions of dollars in public and private investment made in participating neighborhoods.

\$1.2 Billion In Housing & Economic Activity in UCC Cities Funding from DCA, HMFA & NJRA (\$000,000)

	Neighborhoods	Designation Year	Housing Activity	Economic Activity	Commercial Activity
Asbury Park	Downtown	1995	\$33.9	\$1.3	\$20.7
Camden	Empowerment Zone	1995, 1997	\$80.6	\$7.4	\$16.7
Elizabeth	Greater Elizabeth Midtown (GEM) & Elizabeth Port	1995, 1997	\$112.0	\$3.9	\$20.7
Irvington	East Side	1998	\$4.8	\$1.2	\$.05
Jersey City	SNAP Neighborhood	1997	\$103.3	\$7.8	\$0
Long Branch		1997	\$75.0	\$1.5	\$.1
Neptune	Midtown	1998	\$9.9	\$2.8	\$.3
New Brunswick/ Franklin	Renaissance 2000	1996	\$109.5	\$.2	\$6.5
Newark	West Side Park	1997	\$182.0	\$5.2	\$20.2
Perth Amboy	Waterfront District	1998	\$122.4	\$1.1	\$0
Plainfield		1998	\$25.8	\$2.0	\$0
Pleasantville		1998	\$1.2	\$1.8	\$.4
Trenton	Canal Banks	1995	\$94.8	\$2.0	\$100.4
Vineland	SNAP Neighborhood	1997	\$21.9	\$9.1	\$.5
\$1.2 Billion Total UCC City-wide Investments:			\$977.1	\$48.3	\$186.1