

2013 ANNUAL REPORT

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FRAMEWORK FOR THE FUTURE

OUR MISSION

THE PEOPLE WE SERVE

NJHMFA serves the residents of New Jersey by providing funding for single family home mortgages, the development of affordable, mixed-income and special needs rental developments.

OUR EXPERTISE

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

- Fund affordable home mortgages and workforce housing opportunities for first-time and urban 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, the disabled and those with special housing needs; and
- Formulate partnerships to foster the economic development of New Jersey.

OUR RESOURCES FOR ACHIEVING OUR GOALS

NJHMFA raises program funds by:

- Selling taxable and tax-exempt bonds to private sector investors in national financial markets;
- Administering the federal Low Income Housing Tax Credit (LIHTC) Program for New Jersey;
- Applying for and administering federal and state grants and housing assistance programs; and
- Developing cooperative relationships with state, municipal, not-for-profit agencies, foundations and the private real estate development industry.



NEW JERSEY HOUSING
AND MORTGAGE
FINANCE AGENCY

WWW.NJHOUSING.GOV

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CHRIS CHRISTIE

Governor
State of New Jersey

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Chairman

Commissioner of the Department of Community Affairs of the State of New Jersey

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Commissioner of the Department of Banking and Insurance of the State of New Jersey

ANDREW SIDAMON-ERISTOFF

State Treasurer of the State of New Jersey

JENNIFER VELEZ

Commissioner of the Department of Human Services of the State of New Jersey

JOHN J. HOFFMAN

Acting Attorney General of the State of New Jersey

REV. MSGR. WILLIAM J. LINDER

Pastor of St. Rose of Lima Church in the Roseville section of Newark

DOROTHY L. BLAKESLEE

Public Member

PATRICIA MUELLER

Public Member

STANLEY M. WEEKS

Executive Vice President of City National Bank of New Jersey

BOARD OF DIRECTORS

DEAR COLLEAGUES...

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Commissioner
Richard E. Constable, III
DCA

During 2013, the New Jersey Housing and Mortgage Finance Agency (NJHMFA) continued to deliver on our mission to provide affordable homeownership and rental housing opportunities for New Jersey's working families, senior citizens, and individuals with special needs while remaining competitive and viable.

In the past year, we have funded 4,808 units of affordable rental apartments, 1,132 home purchase mortgages, 456 special needs beds, and provided construction financing for 195 for-sale homes in emerging urban markets. These efforts have generated an economic impact of nearly \$2 billion and over 11,000 jobs in the State of New Jersey.

Recognizing the ongoing need for affordable and accessible housing since Superstorm Sandy, we continued to develop resources and innovative financing mechanisms to expedite the "return home" for many long-displaced Sandy victims. Our foreclosure prevention initiatives have allowed households across the state to remain in their homes, and our Multifamily Conduit Bond Program has continued to serve the developer community. Additionally, our Low Income Housing Tax Credits Program facilitated the new construction, rehabilitation and redevelopment of existing and historic properties into affordable homes with support services for seniors, veterans and those with special needs.

We proudly present our 2013 accomplishments and look forward to the progress that 2014 will bring as we continue to adapt, innovate and grow with the ever-changing needs of our residents.



Richard E. Constable, III, Commissioner
NJ Department of Community Affairs



Anthony L. Marchetta, Executive Director
NJ Housing and Mortgage Finance Agency



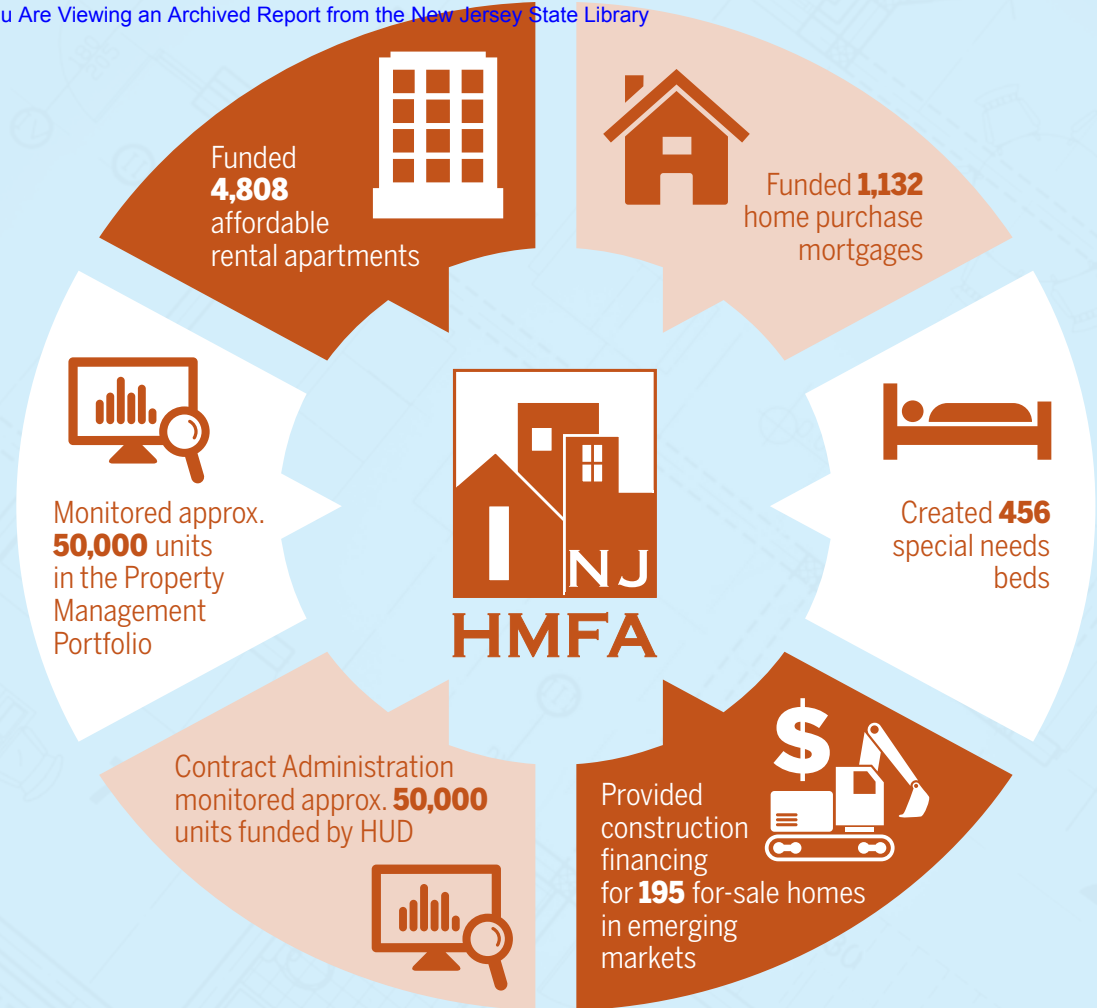
2013 BY THE NUMBERS

A general overview of the annual accomplishments of our divisions:

Multifamily, Single Family, Supported Housing and Special Needs, Contract Administration and Property Management

We are extremely proud of the impactful work we are able to do through our state, federal, lender and developer partnerships. The results of such partnerships are far-reaching and help to make the Garden State a place residents are proud to call "home."

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It is estimated that NJHMFA's efforts
generated an overall economic impact of nearly

\$2 BILLION

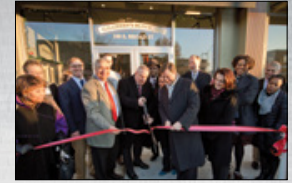
generating more than

11,000

jobs throughout New Jersey

2013 GROUNDBREAKINGS AND RIBBON CUTTINGS

G.G. Green
Senior
Housing



Harrison
Senior
Housing



Lawnside
Meadows



Revere
Run



Saddlebrook
Court



SINGLE FAMILY: BY THE NUMBERS

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NJHMFA provided
a total of 1,132
single family mortgages
in 2013



SMART START

Of **689** single family mortgages,
309 benefitted from **Smart Start**
downpayment and closing cost assistance



443 of the 1,132 single family mortgages
were through the **Police and Fire**
Retirement System Mortgage Program



Financed **195 for-sale units** through
the **Choices in Home Ownership**
Incentives Created for Everyone
(CHOICE) Program



ENCOURAGING SUSTAINABLE HOMEOWNERSHIP

NJHMFA'S ONGOING FORECLOSURE INITIATIVES

The National Foreclosure Mitigation Counseling Program (NFCM)

Founded in April 2008, the NFCM is a federally funded program administered by NeighborWorks America. Designed to provide homeowners with housing counseling services in an effort to prevent foreclosure, housing counselors work with the homeowner and the lender to negotiate more affordable mortgage payments. NJHMFA was awarded \$1.6 million in March 2013's NFCM Round 8 funding. It is expected that 2,000 households will receive assistance with this funding.

Total Funding: \$6.6 million

Total Households Assisted: 10,000

Making Home Affordable (MHA) Outreach and Intake Program

A team of HUD-certified housing counselors participated in seven NJHMFA-coordinated statewide outreach events in 2013. Counselors met with and recommended federal foreclosure prevention assistance programs to struggling NJ homeowners, offering work-out options that included loan reinstatement, modification, and/or refinance terms to avoid foreclosure.

Total Federal Funding Awarded: \$216,882

**Total Households Expected to be
Assisted:** Approximately 330

NEW JERSEY HOMEKEEPER PROGRAM

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Launched in 2011 and funded by the U.S. Treasury's Hardest Hit Fund, the New Jersey HomeKeeper Program provides financial assistance to homeowners who are at risk of losing their homes to foreclosure as a direct result of unemployment and underemployment.

In 2013, NJHMFA closed 3,167 HomeKeeper loans, providing a total of \$129.4 million in foreclosure prevention assistance.



**THE NEW JERSEY
HOME
KEEPER
PROGRAM**

BARBARA'S HOMEKEEPER EXPERIENCE

Barbara received HomeKeeper assistance and was able to avoid foreclosure and stay in her home. This is her story.

"My situation prior to being accepted to the HomeKeeper Program was precarious to say the least. It seemed like in a blink I was in a position of actually losing my home. The days and weeks went by so quickly and the mortgage was going further into default. There was no chance of getting myself out of this nightmare alone; I had no resources or family members that could help financially. The mortgage company could not offer any assistance and while I would have worked twenty-four hours a day, there was not work available. I was out of work on disability with a torn rotator cuff and my employer let me go right before I was ready to return. I was working with a local organization in Morristown that were basically telling me to 'give up.'

This program helped me keep my home by first and foremost, being kind and human. They understood my plight and never once made me feel inferior or were impatient with my calls or apparent distress. The simple answer is, the program paid my mortgage."



Barbara smiles in front of her Morristown, NJ home.

MY EXPERIENCE WITH HOMEKEEPER MAKES ME WANT TO PAY IT FORWARD EVERY DAY. I WANT TO TELL PEOPLE NOT TO GIVE UP. I NOW HAVE A BETTER AWARENESS OF BEING GRATEFUL. YOU DID NOT SAVE MY HOUSE; YOU SAVED MY HOME AND MY FAMILY. THANK YOU!

**—BARBARA O.
HOMEKEEPER PROGRAM PARTICIPANT**

WHITNEY CRESCENT



Whitney Crescent replaced an apartment complex that fell into a state of disrepair to provide an affordable quality environment where parents can safely raise their children. The complex consists of 80 energy-efficient apartment units (five of which are set aside for residents with special needs), a clubhouse and management office.

Available to families earning no more than 60% of the Area Median Income, the crescent-shaped apartment complex provides supportive services that address housing, education, physical and emotional well-being, and employment. Additionally, there is a full-time social services coordinator who provides residents case management, skill development, and linkages to services on-site. Unit amenities include hardwood floors, ceramic tiled kitchens and bathrooms, in-unit HVAC systems, cable and high speed internet access, Energy Star refrigerators, stoves, dishwashers, washers and dryers.

The project is designed to reflect the residential character of the surrounding area and is situated near Rowan University, with easy access to the Atlantic City Expressway and the town square, which is undergoing \$300 million worth of revitalization efforts.

Funding was provided by NJHMFA, the Federal Tax Credit Assistance Program (TCAP), Low Income Housing Tax Credit Equity from Boston Capital and JP Morgan Chase, Gloucester County HOME, Glassboro Affordable Housing Trust Funds, and the Federal Home Loan Bank of New York.

“THIS IS JUST A GREAT EXAMPLE OF RESIDENTS WORKING WITH THE DEVELOPERS AND BOROUGH. THEY WORKED VERY CLOSELY TO MAKE SURE IT’S A PLACE WHERE CHILDREN CAN GROW AND FAMILIES ARE SAFE. WE’RE VERY PROUD.”

**—HEATHER SIMMONS
GLOUCESTER COUNTY FREEHOLDER**

WHITNEY CRESCENT QUICK FACTS

Location: Glassboro, Gloucester County

Developer: Community Investment Strategies, Inc.

Total Development Cost: \$23.5 million

One-Time Economic Output:
\$36 million

**Full-Time Jobs Generated
(Construction):** 215

Ongoing Economic Output: \$4 million

Full-Time Jobs Generated (Annual): 23

Capacity: 80 affordable apartment units with five units set aside for residents with special needs

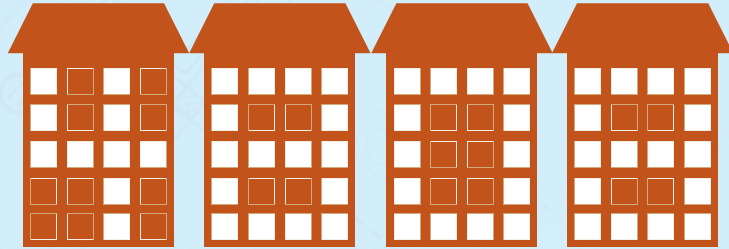
Socially Responsible: On-site social services coordinator and support services that address housing, education, physical and mental well-being and employment training

Environmentally Responsible:
Energy-efficient HVAC systems and Energy Star appliances in each unit

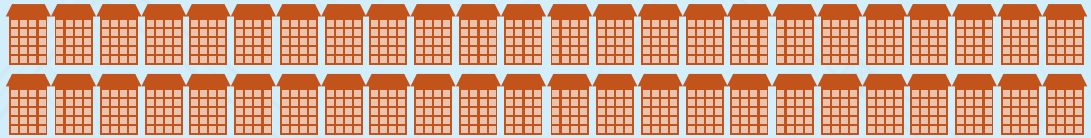
Recognition: Awarded *Best Redevelopment of a Residential Project* by the Shore Builders Association of Central New Jersey

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In 2013, NJHMFA produced **4,808** multifamily rental units



1,556 of those multifamily rental units were funded through the **Multifamily Conduit Bond Program** for a total of **\$168 million** in agency financing



MULTIFAMILY DEVELOPER PROGRAM HIGHLIGHTS

The **Multifamily Conduit Bond Program** launched in late 2011 and has continued to serve the developer community well. The program enables well-capitalized developers to issue bonds through the agency on a pass-through basis, at the lowest interest rates available in the marketplace while securing Low Income Housing Tax Credits (LIHTC) as needed. To date, the Conduit Program has provided a total of \$411 million in agency financing to preserve and construct 3,750 units throughout 20 projects.

MULTIFAMILY HIGHLIGHTS

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LOW INCOME HOUSING TAX CREDIT HIGHLIGHTS

G.G. GREEN QUICK FACTS

Location: City of Woodbury,
Gloucester County

Developer: RPM Development

Total Development Cost: \$13.5 million

One-Time Economic Output:
\$21 million

**Full-Time Jobs Generated
(Construction):** 125

Ongoing Economic Output:
\$2.3 million

Full-Time Jobs Generated (Annual): 14

Capacity: 55 senior apartment units
with 7,000 square feet of retail space on
the first floor

Environmentally Responsible:
Awarded LEED-Platinum certification
from the U.S. Green Building Council

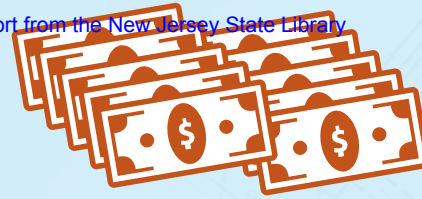
Recognition: G.G. Green has received
widespread community support and
praise from organizations including the
National Trust for Historic Preservation,
Woodbury's Historic Preservation
Commission, Main Street New Jersey,
Preservation New Jersey, Woodbury
Old-City Restoration Committee, Main
Street Woodbury, and Woodbury NJ
Village Green Preservation Society,
and was named as an NJ Future Smart
Growth Award winner.

G.G. GREEN SENIOR RESIDENCES

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G.G. Green Senior Residences is a unique rehabilitation-redevelopment project that involved the adaptive re-use of a deteriorating historic landmark and the replacement of two adjoining vacant properties with contemporary structures modeled to match the original building's historic character. Built in 1880 as a Victorian Opera House, the nationally-registered historic G.G. Green building is located on South Broad Street in the heart of downtown Woodbury, the city's busiest commercial corridor. Because of its location, G.G. Green benefits from excellent public transit connections including several NJ TRANSIT bus routes, and a proposed Glassboro-Camden light rail that would place a train station two blocks from the project site. Residents have pedestrian and bike access to retail services and amenities including the Underwood Memorial Hospital, County Justice Complex, two large pharmacies, the public library, and public parks.

The G.G. Green building was financed by NJHMFA. Additionally, as the authorized administrator of the federal Low Income Housing Tax Credit (LIHTC) Program in New Jersey, NJHMFA awarded the redevelopment project competitive 9% housing tax credits which generated approximately \$11.3 million in private equity. This funded over 80% of the total development cost. Other funding sources included the Federal Home Loan Bank of New York Affordable Housing Program, and federal Historic Tax Credits.



The federal government allocated approximately **\$20 million in 9% tax credits** to NJHMFA in 2013.

The sale of these credits generated **over \$180 million in equity** for the development of affordable housing throughout the state.



THE LIHTC PROGRAM HAS LONG BEEN CONSIDERED ONE OF THE MOST SUCCESSFUL AND EFFICIENT FEDERAL HOUSING PROGRAMS EVER CREATED TO PROVIDE THE PRIVATE MARKET AN INCENTIVE TO INVEST IN THE CREATION OR REHABILITATION OF QUALITY AFFORDABLE RENTAL HOUSING THAT ENHANCES THE CHARACTER OF OUR NEIGHBORHOODS.


**—ANTHONY L. MARCHETTA
EXECUTIVE DIRECTOR, NJHMFA**

VALLEY BROOK VILLAGE SUPPORTIVE HOUSING

Valley Brook Village is the country's first Veterans Affairs Supportive Housing (VASH) community for homeless veterans to be built and completed on a Veterans Affairs (VA) medical campus under the Enhanced-Use Lease (EUL) program. The project was developed by Peabody Properties and Windover Development as part of an effort to create housing opportunities for homeless veterans on a fast-track, consistent with the VA's goal to end veteran homelessness across the country by 2015. The VA made 16 acres of land at its Lyons, New Jersey, medical center available under its EUL.

The three-building housing community provides 62 housing units around a common village green. Fifty of the units were awarded project-based housing vouchers under the U.S. Department of Housing and Urban Development and Veterans Affairs Supportive Housing (HUD-VASH) Program to provide rental assistance to chronically homeless veterans. In addition to permanent housing support, the program provides long-term case management and supportive services for the veterans. The HUD-VASH units are administered for HUD by DCA and support services are provided by Community Hope, one of the largest providers of transitional and supportive housing in New Jersey. The remaining units provide housing to homeless veterans who meet the income eligibility requirements or have their own tenant-based voucher.

Valley Brook Village is an excellent infusion of quality affordable housing in Lyons, a wealthy unincorporated suburb in Bernards Township. It beautifies the VA medical campus with properties designed to complement the architectural character of medical facility buildings as well as the surrounding community.



**TODAY, WE DO MUCH MORE THAN OPEN
DOORS AT NEW BUILDINGS. WE GIVE THE
VETERANS WHO WALK THROUGH THOSE
DOORS A CHANCE AT AT NEW BEGINNING.**

**—DR. ROBERT A. PETZEL
FORMER UNDER SECRETARY FOR HEALTH
U.S. DEPARTMENT OF VETERANS AFFAIRS**

VALLEY BROOK VILLAGE QUICK FACTS

Location: Lyons, Somerset County

Developer: Valley Brook Village I, LLC
(Peabody Properties, Windover Development, Community Hope)

Total Development Cost: \$15.7 million

One-Time Economic Output: \$24.9 million

Full-Time Jobs Generated (Construction): 150

Ongoing Economic Output: \$2.8 million

Full-Time Jobs Generated (Annual): 16

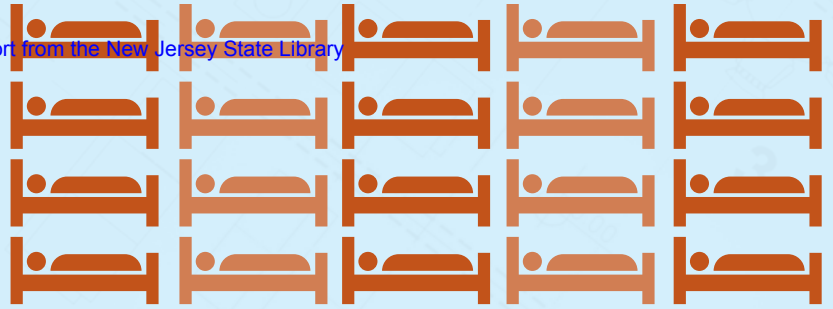
Capacity: 62 affordable apartment units for homeless veterans

Socially Responsible: On-site long-term case management and counseling services including crisis intervention, vocational training, physical health care and community-building activities

Recognition: National Coalition of Homeless Veterans & Home Depot Foundation *Peter Dougherty Grand Prize Award for Excellence in Supportive Housing for Homeless Veterans*; Affordable Housing Tax Credit Coalition (AHTCC) 20th Annual *Charles L. Edson Tax Credit Excellence Award - Honorable Mention* in the Rural Housing category; Affordable Housing Finance (AHF) 10th Annual *Readers' Choice Awards* Finalist for Nation's Best Developments in 2013–2014 in the Special Needs Category; Central Jersey Housing Resource Valley Center *Outstanding Achievement in Housing & Program Support for Veterans Award*

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In 2013, NJHMFA produced **456** special needs beds.



SPECIAL NEEDS DEVELOPER PROGRAM HIGHLIGHTS

Under the **Special Needs Housing Partnership Loan Program (SNHPLP)**, NJHMFA, the Department of Community Affairs (DCA) and the Department of Human Services' Division of Developmental Disabilities (DHS/DDD) provide financing for the creation of affordable, permanent supportive housing for individuals with developmental disabilities through the acquisition and rehabilitation of three- to four-bedroom homes. This initiative aligns with the state's goal to integrate people with special needs into their surrounding communities.

The SNHPLP also assists municipalities to leverage the monies in their Municipal Affordable Housing Trust Fund (AHTF) accounts by matching a municipal commitment of funds.

In addition to SNHPLP funding, DHS/DDD provides subsidy funding for sprinkler systems, social services and rental assistance. Residents receive customized supportive services that enable them to become self-sufficient.

The Kaiser Commission on Medicaid and the Uninsured, Money Follows the Person: A 2013 State Survey of Transitions, Services and Costs recently showcased SNHPLP as a model program for other states seeking to increase the supply of affordable special needs housing options.

In 2013, 68 special needs beds were committed using \$4,470,539 in SNHPLP financing and \$3,543,546 in AHTF dollars.

SUPPORTED HOUSING AND SPECIAL NEEDS HIGHLIGHTS

SANDY DEVASTATION QUICK FACTS

Superstorm Sandy caused unprecedented damage to New Jersey's housing, business, infrastructure, health, social service and environmental sectors. Indeed, President Obama's October 30th 2012 disaster declaration designated all twenty-one New Jersey counties major disaster areas. Yet storm damage was particularly concentrated in communities bordering or near the Atlantic Ocean or the Hudson River, many of which were flooded by Sandy's storm surge.

Counties Most Impacted as Designated by HUD:

Atlantic, Bergen, Cape May, Essex, Hudson, Middlesex, Monmouth, Ocean and Union

Number of Owners' Primary Residences Classified as Substantially Damaged:

Approximately 40,400

Number of Rental Units Classified as Substantially Damaged:

Over 15,600

SUPERSTORM SANDY RESPONSE

*Source: U.S. Department of Community Affairs
Community Development Block Grant Disaster
Recovery Action Plan*

Photo courtesy of Tim Larsen, Governor's Office

SUPERSTORM SANDY RECOVERY PROGRAMS

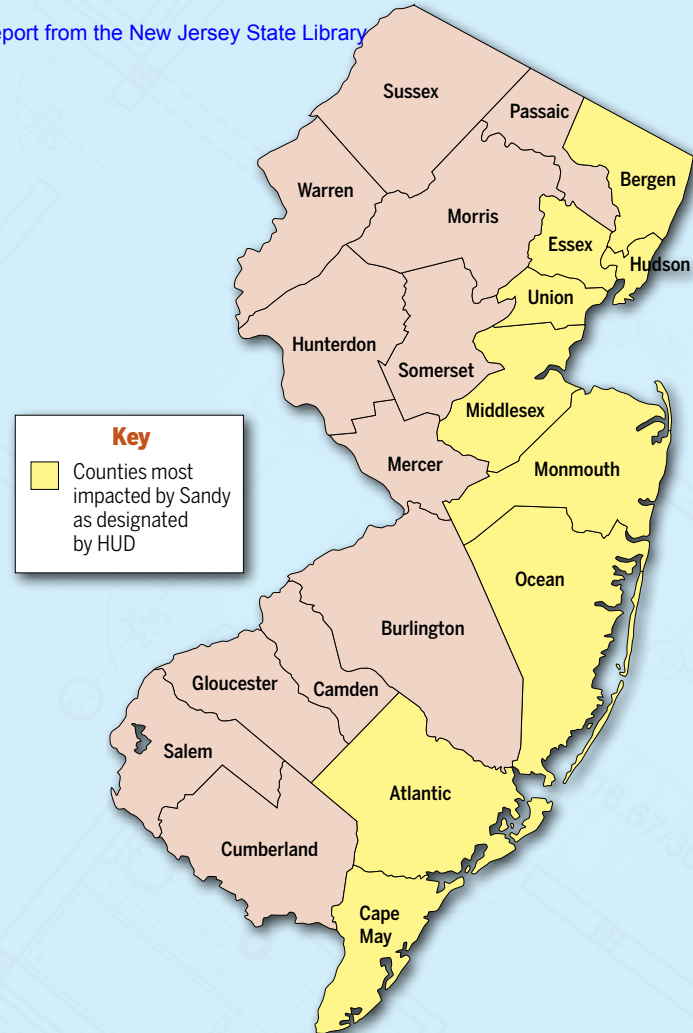
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As a result of the exacerbated need for affordable and accessible housing after Superstorm Sandy, which struck New Jersey on October 29, 2012, NJHMFA was awarded \$229.5 million in Community Development Block Grant-Disaster Recovery (CDBG-DR) funds from the U.S. Department of Housing and Urban Development (HUD) in March 2013 to administer three housing programs crucial to the state's storm recovery: The Sandy Homebuyer Assistance Program (SHAP), the Fund for Restoration of Multifamily Housing (FRM), and the Sandy Special Needs Housing Trust Fund (SSNHTF).

To commit and expend the funds and create new units for displaced Sandy victims as quickly as possible, NJHMFA forward-committed two years of federal Low Income Housing Tax Credits. These awards will result in over 40 new housing developments, consisting of approximately 3,800 affordable apartments. By leveraging LIHTCs and CDBG-DR funds, NJHMFA created approximately 2,720 affordable housing units in 2013, an increase of 88% over the prior year.

The agency sought shovel-ready projects in the nine counties designated by HUD as most impacted by the storm and before the year's end, construction began on the first of over 2,000 units of new permanent affordable rental housing.

Read on to review in detail the three Sandy recovery programs NJHMFA administered in 2013.





CAROLINE'S STORY: HER SANDY EXPERIENCE

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I GREW UP IN OCEAN CITY, NEW JERSEY. DURING SUPERSTORM SANDY SO MANY HOMES IN OUR TOWN WERE DEVASTATED. I WAS SHOCKED AND EXTREMELY SADDENED TO SEE THE DESTRUCTION THAT THIS STORM HAD CAUSED. IT SEEMED LIKE EVERYTHING HAD COME TO A HALT.

NJHMFA'S STAFF WAS EXTREMELY HELPFUL IN GETTING MY SHAP PAPERWORK THROUGH AT THE LAST MINUTE. THIS PROGRAM WAS A GREAT HELP TO MANY PEOPLE WHO STRUGGLED THROUGH THOSE TIMES. I COULDN'T BE MORE GRATEFUL.

**—CAROLINE W.
SHAP ASSISTANCE RECIPIENT**

SANDY HOMEBUYER ASSISTANCE SUCCESS

In March of 2013, NJHMFA was awarded \$25 million in federal Community Development Block Grant Disaster Recovery (CDBG-DR) funds to administer the Sandy Homebuyer Assistance Program (SHAP). With more than 60,000 displaced New Jersey homeowners and renters in urgent need of permanent housing, the Sandy Homebuyer Assistance Program is designed to provide qualified homebuyers with up to \$50,000 in an interest-free, forgivable loan to purchase a home in any of the nine HUD-designated most impacted New Jersey counties.



Because Superstorm Sandy depleted both owner-occupied and rental housing stock, rental rates sharply increased, and the low-to moderate-income (LMI) demographic faced extremely limited housing options. SHAP gives LMI households the opportunity to purchase a home by providing financial incentives to do so, effectively creating first-time homebuyers from renters. The program provides an affordable alternative to renting and in turn creates a market for rebuilt and restored homes.

SHAP generated nearly 9,000 applications in the first 60 days of the program's launch, far exceeding the funding capacity of 500 loans. Because of the overwhelming response, the program was closed to new applicants on September 30, 2013.

The agency continues to work with qualified pipeline applicants to commit the total \$25 million of CDBG-DR funds. Applicants who did not qualify were matched with a housing counselor to identify available programs and options, further assisting with the post-Sandy resettlement process.

2013 SANDY RESPONSE QUICK FACTS

Sandy Homebuyer Assistance Program (SHAP)

Total Funding: \$25 million
Total Funds Committed: \$3.3 million
Households Assisted in 2013: 74
Total Households Projected to be Assisted: 500

Fund for Restoration of Multifamily Housing (FRM)

Total Allocation: \$179.5 million
Total Projects Funded: 36
Units Created: 2,700

The \$179.5 million allocation has been fully committed and will create 2,920 units.

Sandy Special Needs Housing Trust Fund (SSNHF)

Total Allocation: \$25 million
Total Projects Funded in 2013: 11
Total Beds Created: 151

It is projected that an additional 40 beds will be created from the \$25 million allocation.

SANDY DEVELOPER PROGRAMS

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Sandy Special Needs Housing Trust Fund (SSNHTF)

The SSNHF provides capital subsidies in the form of loans to developers of permanent supportive housing to low- and moderate-income special needs populations. Eligible projects include new construction, moderate and substantial rehabilitation of existing buildings, conversion of buildings, and acquisition only.



Fund for Restoration of Multifamily Housing (FRM)

The FRM program offers qualified developers and Public Housing Authorities (PHAs) subsidies in the form of zero- and low-interest loans to finance the development of affordable housing in the nine HUD-designated counties in an effort to increase the supply of affordable housing in those areas. Eligible projects rehabilitate or replace affordable rental units damaged as a result of the storm or build new rental housing that addresses an unmet need resulting from the storm.

PARTNERSHIP: NEW JERSEY HOUSING RESOURCE CENTER (NJHRC) AND SOCIAL SERVE

In 2013, the NJHRC, NJHMFA's award-winning free, searchable online database of affordable and accessible housing units available throughout New Jersey, continued to be invaluable in helping displaced residents search for housing after Sandy. Located at www.NJHRC.gov, the site offers a robust search function and features income and rent affordability calculators.

In partnership with the Department of Community Affairs (DCA), and the New Jersey Department of Human Services-Division of Disability Services (DHS-DDS), NJHMFA contracted with Social Serve, a non-profit national provider of housing location services, to enhance NJHRC's services to include outreach for new unit listings and vacancy updates. The bilingual toll-free call center assisted consumers without access to a computer. The efforts of the NJHRC website and call center combined resulted in an increase of approximately 40% more available unit listings.

SUPERSTORM SANDY RESPONSE *(CONTINUED)*

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Executive Director Marchetta leads a partner training session in Gallery A.



NJHMFA COMMUNITY INVOLVEMENT

Our employees not only contribute positively to their workplace environment, but also generously volunteer their time in the surrounding Greater Trenton community and beyond.

Here are just a few of the organizations with which our employees regularly volunteer:

Anchor House Ride for Runaways

Art All Night - Trenton

Artworks Trenton

Black Girls Run

Central Jersey Dance Society

Franklin Elementary and other local schools

Kendall Park Fire Company Ladies Auxiliary

Pablove Shutterbugs Program

Special Olympics New Jersey

Toys for Tots

Trenton Area Soup Kitchen & Food Bank

Ushers Council of Trenton and Vicinity

Young Scholars Institute

GET TO KNOW THE NJHMFA

ABOUT THE NJHMFA

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Today NJHMFA is a body of nearly 300 talented, professional employees that through their tireless efforts have financed hundreds of multifamily projects; generating approximately 100,000 units of affordable housing. Over the years we have also funded nearly 100,000 First-Time Homebuyer mortgages, helping New Jersey residents to achieve their dream of homeownership in our great state.



NEW JERSEY HOUSING
AND MORTGAGE
FINANCE AGENCY
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Many of our programs and projects have won statewide and national awards, and the agency is financially sound with nearly \$4.5 billion in assets. We are rated highly by the premier rating agencies.

In recent history, the agency was forced to evolve because of the national financial crisis and has become a stronger organization as a result. When confronted by the disaster of Superstorm Sandy, we responded quickly to create the mechanism to generate a record number of new, affordable rental housing units and provide a wealth of resources to help displaced residents find temporary housing in the wake of the storm.

We actively train and educate our lender, real estate, property management and developer partners, hosting regular training, Q&A and networking sessions here at our facility in Trenton. These events bring our partner communities together and quite often new ideas, partnerships and program updates are the result of such gatherings.

The future will bring its fair share of challenges to the agency. However, with such a diverse, talented, and hardworking staff we are sure to confront any obstacles with tenacity, intelligence and creativity.



Our HomeKeeper staff smiles for the camera at an agency gathering.

WINNER - 2013 GOVERNMENT PARTNER AWARD PRESENTED BY THE CENTRAL JERSEY COMMUNITY DEVELOPMENT CORPORATION

**RECOGNIZED FOR OUR SUPPORT OF THEIR MISSION
TO REVITALIZE THE RENAISSANCE COMMUNITY IN
CENTRAL NEW JERSEY AND FOR OUR COMMITMENT
TO INVEST RESOURCES IN THEIR TARGET AREA.**

**THE CENTRAL JERSEY COMMUNITY DEVELOPMENT
CORPORATION'S MISSION IS TO REBUILD COMMUNITIES,
ONE FAMILY AT A TIME BY IMPROVING THE SOCIAL,
EDUCATIONAL, AND ECONOMIC CONDITIONS IN
TARGETED AREAS THROUGHOUT THE STATE.**

FINANCIAL HIGHLIGHTS

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2013 SINGLE FAMILY PROGRAM AVERAGE COMPARISON

	ALL PROGRAMS	HOMEBUYER PROGRAM	LIVE WHERE YOU WORK	POLICE AND FIREFIGHTERS	OTHER PROGRAMS	SMART START
TOTAL # OF LOANS	1442	620	65	443	5	309
TOTAL DOLLAR VOLUMES	\$253,004,720	\$104,497,617	\$13,898,481	\$131,348,658	\$1,116,990	\$2,142,974
AVERAGE SALE PRICE	\$234,573	\$182,867	\$274,285	\$355,331	\$254,765	\$160,869
AVERAGE LOAN AMOUNT	\$175,454	\$168,545	\$213,823	\$296,498	\$223,398	\$6,935
AVERAGE ANNUAL INCOME	\$80,964	\$64,158	\$55,043	\$126,045	\$99,914	\$64,489
AVERAGE BORROWER AGE	44	50	30	36	51	52
AVERAGE HOUSEHOLD SIZE	3	2	5	2	5	2

2013 MULTIFAMILY MORTGAGE BONDS AND CONDUIT BONDS

BOND ISSUE	ISSUE SIZE	RATINGS	DATE ISSUED	PROGRAM/PROJECT FUNDED	TAX STATUS
MF CONDUIT REVENUE BONDS SERIES 2012 D (HAMPSHIRE HOUSE APARTMENTS)	\$6,400,000	Aaa (Moody's)	1/2013	Conduit financing for 116 units	Tax-Exempt
MF HOUSING REVENUE BONDS 2013 SERIES 1-7	\$384,700,000	AAA/A-1 - Variable (S&P) & AA - Fixed (S&P)	3/2013	Economic refunding, 1995 MFHRB	Tax-Exempt and Taxable
MF CONDUIT REVENUE BONDS 2013 SERIES B (ALEXANDER HAMILTON III)	\$11,761,784	N/A	2/2013	Conduit financing for 50 units	Tax-Exempt
MF CONDUIT REVENUE BONDS 2013 SERIES C (MCIVER HOMES)	\$5,200,000	Aaa (Moody's)	5/2013	Conduit financing for 87 units	Tax-Exempt
MF CONDUIT REVENUE BONDS 2013 SERIES (SOMERSET STREET MEWS)	\$60,035,000	N/A	8/2013	Conduit financing for 238 units	Tax-Exempt
MF CONDUIT REVENUE BONDS 2013 L (PENNY POINT PARK)	\$9,200,000	AA+ (S&P)	10/2013	Conduit financing for 152 units	Tax-Exempt
MF CONDUIT REVENUE BONDS 2013 K (CHESTNUT HOMES)	\$6,900,000	AA+ (S&P)	11/2013	Conduit financing for 76 units	Tax-Exempt
MF CONDUIT REVENUE BONDS 2013 J (SALEM LAFAYETTE)	\$61,680,000	AA+ (S&P)	12/2013	Conduit financing for 412 units	Tax-Exempt

CAPITAL MARKETS

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During 2013, the agency issued, in aggregate, **approximately \$545.9 million taxable and tax-exempt bonds**.

The agency's **Conduit Bond Financing Program** gained further market acceptance in 2013 with the issuance of approximately **\$161.2 million** of conduit bonds, funding the construction, rehabilitation and/or preservation of **1,131 multifamily units**.

In March 2013, the agency issued **\$384.7 million** in Multifamily Housing Revenue Bonds 2013 Series 1-7 (MF 1995) to economically refund over 85% of the Resolution's debt.

The transaction is estimated to produce approximately \$26.0 million in after cost present value (PV) debt service savings. In conjunction with the issuance of these bonds, the agency terminated the Direct Pay Letter of Credit (DPLOC) provided by the credit-impaired Dexia, and substituted it with a Direct Pay Letter of Credit (DPLOC) provided by Citibank, N.A.

This will result in meaningful liquidity fee and bond trading spread savings for FY14 and beyond.

In March 2013, Standard & Poor's Rating Services (S&P) raised its rating to **AA- (stable outlook)** from A+ on the agency's Multifamily Housing Revenue Bonds (MF 1995) resolution.

In July 2013, Standard & Poor's Rating Services (S&P) affirmed its **A+ (stable outlook)** rating on the agency's Multifamily Revenue Bonds (MF 2004) resolution.

In December 2013, Standard & Poor's Rating Services (S&P) affirmed its **AA (stable outlook)** issuer credit rating (ICR) on the agency.

In December of 2013, agency staff completed a **successful work-out of the Waterford Towers financing**. This project was originally financed in 1997 with tax-exempt and taxable bonds of approximately \$50.0 million and \$5.0 million, respectively.

The project was unable to achieve stabilization, resulting in operating cash flows that were substantially less than originally projected. In 2013, agency staff negotiated a "cooperative default" allowing the borrower to redeem all of the agency's outstanding debt with the proceeds from third-party financing.

This transaction represents a major development, as the agency's single largest troubled loan was successfully restructured, generating a positive internal rate of return (IRR).

In December 2013, Standard & Poor's Rating Services (S&P) affirmed its **AA (stable outlook)** issuer credit rating (ICR) on the agency.

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