



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

DEC 2 2013

Mr. Keith Kinard
Executive Director
Newark Housing Authority
500 Broad Street
Newark, NJ 07102

Dear Mr. Kinard:

Thank you for your submission to the U.S. Department of Housing and Urban Development ("HUD") and subsequent submissions (collectively, the "Submission") requesting certain approvals in connection with a Capital Fund Financing Program (the "CFFP") Proposal. The Newark Housing Authority (the "Authority") is requesting certain approvals in connection with tax-exempt bond issuance in the amount of \$18,330,000 (the "Bonds"), pursuant to a Master Trust Indenture (the "Indenture"), which proceeds will be held pursuant to the Indenture and the Depository Agreement (as further described in paragraph 6 below) among the Authority and U.S. Bank National Association in its capacity as Trustee (the "Trustee") and custodian of the proceeds of the bond issuance and/or other funds of the Authority (the "Depository") (the foregoing, collectively, the "Bond Documents").

The Authority has indicated that it will continue in good faith to explore the use of other alternative financing programs including the Rental Assistance Demonstration Program (RAD). HUD strongly encourages that any RAD Applications submitted by the Authority be submitted by the end of this calendar year.

Based upon our review of the information and materials included with the Submission, the undersigned, on behalf of HUD, provides the following approvals and determinations.

1. HUD hereby approves the execution by the Authority, and by other parties identified therein, of the Bond Documents, in substantially the form submitted to HUD by the Authority for the modernization of 6,932 public housing units, together with the other documents and certificates required in connection with the Bonds.
2. Any substantive changes to the form of the Bond Documents that affect HUD's rights or obligations shall be submitted to HUD for review and approval by the Deputy Assistant Secretary for the Office of Public Housing Investments. Except as stated, no further approval of the Bond Documents by HUD shall be required. This approval does not constitute approval for any other agreements, series of bonds or additional debt issued by the Authority. Unless otherwise approved by HUD in writing, if the Authority does not close the transaction within 90 days of the date of this letter, this approval shall terminate without any further action from HUD.

3. Subject to the availability of appropriations, HUD hereby approves the use of Capital Fund Grants (which is defined to include Capital Fund formula funds under Section 9(d) of the United States Housing Act of 1937 (the "Act") and any applicable successor program for payment of debt service as presented in the estimated debt service schedule attached hereto. Following the execution of the Bond Documents, the final debt service schedule (the "Final Debt Service Schedule") shall be submitted to HUD. Unless approved by the Deputy Assistant Secretary for the Office of Public Housing Investments, the Final Debt Service Schedule shall not exceed the estimated debt service schedule in any year by more than 10%.
4. Provided that the Authority submits the documents described below in the Post Approval Documentation section of this letter, HUD hereby agrees, subject to the availability of appropriations, to make debt service payments on the Bonds as reflected on the Final Debt Service Schedule automatically and directly to the Trustee for the benefit of the Authority. HUD will establish a system of direct payment, by wire transfer or otherwise, to the Trustee.
5. HUD hereby agrees that amounts paid to the Trustee to make debt service payments under the Bond Documents as reflected on the estimated debt service schedule are authorized and under current law are not subject to recapture, and that no regulatory waiver is necessary to disclaim effectively any right, title and interest of the United States in and to such amounts. Nothing in this paragraph shall prevent HUD from recapturing funds from the Authority (as opposed to the Trustee) in accordance with applicable law.
6. HUD further agrees that the Bonds issued pursuant to the Indenture, and amounts payable to the Trustee, who relies on the full and timely payment of such HUD amounts to make distributions to bondholders, is subject to the availability of appropriations and pursuant to this letter and the Capital Fund Financing Amendment to the Consolidated Annual Contributions Contract (the "ACC"). HUD further acknowledges and agrees that, notwithstanding the provisions of any HUD General Depository Agreement (form HUD 51999 (6/91)) ("GDA") that will be entered into between the Authority and the Depository, permitting HUD as third-party beneficiary thereof to block payment from specified Authority accounts held with the Depository, HUD will not exercise such right if the effect would be to reduce or delay any scheduled debt service or redemption payment on the Bond proceeds. HUD further acknowledges and agrees that in the event of a conflict between this paragraph and the GDA, the obligation of HUD set forth in the previous sentence shall prevail.
7. HUD hereby agrees that interest earned on amounts paid to the Trustee to make debt service payments on the Bonds may be applied to pay debt service on the Bonds or other Capital Fund eligible work items and need not be returned to HUD. In addition, HUD hereby determines that no regulatory waiver is necessary to permit such use.

8. Nothing in this letter is intended to diminish HUD's authority to administer, monitor, and regulate the public housing program, including HUD's authority to exercise any administrative sanction provided by law; provided, however, that HUD hereby agrees that no subsequent change in the permissible use of Capital Fund Program moneys and no administrative sanction regarding the Authority will affect the eligibility of expenditures for debt service on the Bonds or reduce Capital Fund allocations to the Authority, except as required by law or as is subject to insufficient appropriations, below the levels needed to pay such debt service.
9. HUD hereby waives any additional notice or consent required under the Federal Assignment of Claims Act.
10. The Bonds are not an obligation of and is not guaranteed by HUD or the United States of America. No action taken pursuant to the Bond Documents, this Approval, or any other correspondences or documents shall result in any liability to the federal government. Appropriate statements to such effect shall be included in offering materials with respect to the placement of the Bonds. HUD's review of the CFFP Proposal is limited to a review for compliance with CFFP programmatic requirements, and does not extend to the review of underwriting, including assumptions regarding the future receipt of Capital Fund Program moneys, for which the Authority is solely responsible and which it pledges at its own risk. Given the tight budgetary environment, the Authority should be aware of the potential impact of reductions in appropriations. Any reductions in appropriations could cause the Authority to have less funding provided through the Capital Fund available for modernization or other eligible uses, potentially impacting the ability of the Authority to undertake future financing activities.
11. The pledge of "Capital Fund Allocations" under the Bond Documents is authorized for the purpose of securing the debt service on the Bonds.
12. To the extent that allocations of Capital Fund Program moneys to the Authority are reduced or recaptured because Capital Fund amounts previously allocated to the Authority remain unobligated or unexpended in violation of Section 9(j)(1) or (5)(A) of the Act (or any successor(s) thereto), HUD agrees that, (i) unless otherwise prohibited by law, any unobligated Capital Fund Program moneys that are available to the Authority may be used, on a first priority basis, to the extent necessary, to pay principal of and interest on any Bonds, and (ii) to the extent permitted or provided by law, the recapture of all funds unobligated or unexpended in violation of said provisions of Section 9(j) shall serve to cure such violation(s).

Except as expressly provided herein, nothing in this approval letter is intended to modify or waive the Capital Fund Program requirements, which are applicable to the use of the proceeds from the Bonds. Attached is the approved budgeted use of CFFP Proceeds. The Capital Fund Program requirements include, but are not limited to, the preparation and submission to HUD of annual Capital Fund plans and budgets and the execution and delivery each year of the Capital Fund Program Amendment to the ACC in the form prescribed by HUD. Changes in the work items funded with the proceeds beyond the threshold described below are subject to written

approval from the applicable HUD Field Office, in addition to any other HUD approvals that may be required.

- A change in the type of activity (e.g., development verses modernization) being financed.
- A change in the public housing project upon which the proceeds are being used.
- A reduction of 20% or more in the number of public housing units the proceeds will be used upon.
- An increase of 20% or more in the cost of non-dwelling space.

The Authority must report progress in completing work items funded with the proceeds from this issuance in an Annual Statement/Performance and Evaluation Report, which must be submitted to the applicable HUD Field Office on a quarterly basis, as well as incorporated in the Authority's annual Capital Fund plan. The Authority will continue to report progress until all work is completed, paid, and reflected in an annual audit.

Post Approval Documentation Requirements

Once the Authority and the Lender have executed the documents relating to the Bonds, the Authority must submit to HUD Headquarters a final closing binder containing copies of all executed documents relating to the Bonds, together with a certification from the Authority and its counsel attesting that the changes requested by HUD have been made and that no other substantive changes to the submissions (including no substantive changes to the documents or Bond Documents changing HUD's rights or obligations) have been made since they were last approved by HUD. An original and one copy of the final closing binder must be received within 60 days of the date of closing.

The Authority may proceed to execute three originals of the Capital Fund Financing Amendment. All three copies must be executed by the Authority and then delivered to the HUD Newark Field Office, where the Director of Public Housing will execute all originals on behalf of HUD. The Field Office will keep one original for their use and return the other two originals to the Authority. The Authority should retain one original, the other original with two original signatures should be returned to the Office of Capital Improvements at HUD Headquarters.

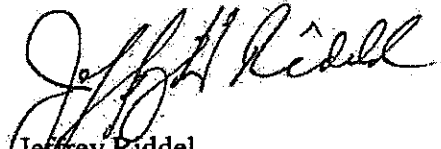
Additionally, within 60 days of closing, the Authority shall submit to HUD: (1) Cover letter from the Authority transmitting the final debt service schedule and attesting that the payments do not exceed the estimated debt service schedule approved by HUD in any year by more than 10%; (2) the Final Debt Service Schedule; (3) a complete and fully executed Direct Deposit Sign-Up Form (Standard Form 1199A with original signatures from the Authority and the Trustee); (4) a Tab Delimited file in the format required for uploading into LOCCS; and (5) an executed copy(s) of the HUD General Depository Agreement(s) (form HUD-51999 (6/91)) entered into between the Authority and the Depository. The items noted in this and the preceding paragraph shall collectively constitute the "Post Approval Documentation." Please refer to the CFFP Post Approval Documentation website for more detailed information: <http://www.hud.gov/offices/pih/programs/ph/capfund/postapp.cfm>.

All submissions should be sent to:

Tom Shelton
U.S. Department of Housing and Urban Development
Office of Capital Improvements
451 7th Street, SW, Room 4130
Washington, DC 20410

Should you have any questions, please contact Todd Wendorf, Office of Capital Improvements at (312) 913-8511.

Sincerely,



Jeffrey Riddel
Director, Office of Capital Improvements

cc: Sonia Burgos, Newark Field Office Director

Enclosures: Exhibit A – Estimated Debt Service Schedule
Exhibit B – Approved Budget
Exhibit C – Capital Fund Financing Amendment to the Consolidated ACC

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CFFP - How Does a PHA Apply?

In order to request HUD approval, PHAs must submit a minimum of one hard copy and three electronic copies on CD of the complete CFFP Proposal to:

Office of Public Housing Investments
451 7th Street SW
Washington, DC 20410
Attention: Dominique Blom
Deputy Assistant Secretary
Room 4130.

One hard copy of a complete CFFP Proposal and one electronic copy on CD should also be sent to the appropriate Field Office Director of Public and Indian Housing. The Cover Letter should evidence that a complete Proposal was sent to the Field Office.

Streamlining

Per 24 CFR 905.57, HUD has streamlined its CFFP Proposal requirements. The focus of this streamlining effort has been to design the program to rely more heavily on existing HUD systems, such as PHAS, to minimize redundancies between the CFFP and other HUD programs, such as mixed finance, RHF, etc., and provide regulatory relief to smaller housing authorities. Towards these ends we have implemented the following streamlining measures.

PHAs that borrow less than \$2 million cumulatively and are designated as Standard Performers; PHAs that borrow less than \$20 million cumulatively and are designated as High Performers; PHAs that propose to use CFFP Proceeds as part of a mixed finance transaction, are no longer required to submit the below noted items as part of their CFFP Proposal:

- Fairness Opinion
- Management Assessment
- Assurances in regard to construction management and financial controls
- If HUD determines that interest or other costs do not appear to meet industry norms, or other aspects of the proposal present atypical risks, HUD retains discretion to require assessments, opinions or controls, or return the proposal.

Jump to...

- [Streamlining](#)
- [Proposal Contents](#)
- [Pooled CFFP Transactions](#)

Related Information

- [Capital Fund Finance Program Final Rule](#)
- [Maximizing Leveraging](#)
- [Capital Fund Financing Program \(CFFP\) Summary](#)
- [The Role of the Field Office](#)

PHA undertaking Mixed Finance Modernization transactions, PHAs borrowing less than \$2 million, PHAs sizing their borrowing only based on Projected RHF are not required to:

- Statement demonstrating that the PHA has considered leveraging non-public housing funds, and state why the proposed financing is appropriate in light of alternative sources available.

The following items have also been streamlined:

- Physical Needs Assessments are no longer required of PHAs that use CFFP proceeds as part of a Mixed Finance Proposal, and for PHAs that size their financing based upon only projected RHF.
- PHAs that size their CFFP based only on RHF, and those that propose to utilize the CFFP as part of a mixed finance modernization transaction are not required to:
 - Submit a CFFP Budget as part of the CFFP Proposal
 - Submit quarterly reports to the Field Office
- DOTs are not required to be submitted for any mixed finance projects.

Proposal Contents

The PHA must submit the below financing schedules in the manner and format prescribed by HUD:

The following submissions are also required:

The PHA must submit a complete set of the legal documents that the PHA will execute in connection with the CFFP transaction. The legal documents are to be submitted to HUD only after they have been negotiated and agreed upon by the parties to the transaction. HUD will not review preliminary documents that are still under negotiation.

The PHA will submit modernization DOTs for all of their Non-Mixed Finance public housing projects and a certification from their counsel that these represent all of their public housing properties, and that in each instance the DOTs are recorded in first position and will be effective for the term of the financing. If the PHA Counsel is unwilling to offer such a certification, the PHA may submit a title report, along with a certification from the PHA that the DOTs and the title report cover all properties in their public housing portfolio. As noted in the streamlining section of this page, DOTs are not required to be submitted for mixed finance projects.

1. A cover letter:

The letter should include a statement demonstrating that the PHA has considered leveraging non-public housing funds, and state why the proposed financing is appropriate in light of alternative sources available. For streamlined PHAs, construction management, leveraging statement and financial controls is not required. The cover letter must be signed by the PHA Executive Director (or Chief Executive Officer, if applicable) and should transmit and request HUD's approval of the CFFP Proposal. It should briefly describe the proposed financing and use of proceeds, the percentage of capital funds being dedicated to debt service, and the percent of the PHA's public housing units benefiting from the financing. The letter should indicate any impact of the financing on the public housing portfolio, highlight any significant financial elements or legal provisions, and provide an overview of construction management and financial controls.

2. Term sheet, table of contents, and contact information

The PHA must submit (a) a table of contents, (b) the HUD-prescribed **Term Sheet** (MS-Word), and (c) contact information for all of the key participating parties.

3. Financing schedules:

- a. A debt service schedule. Please find HUD form debt service schedules by clicking on the below links.
 - **Periodic payment debt service schedule** (MS-Excel, 27 KB)
 - **Monthly payment debt service schedule** (MS-Excel, 85 KB)
- b. **A sources and uses schedule** (MS-Excel, 20 KB)
- c. A portfolio schedule (including projections for RHF as appropriate). The portfolio schedule should be used by the Authority to project any future adjustments in its capital funding due to activities such as demolition, disposition, conversion, merging units, casualty, condemnation, asset management, PIC data issues, etc. The CFP should also be adjusted to reflect items that would limit available CFP, such as Voluntary Compliance Agreements, other administrative or judicial actions, or contractual commitments to mixed finance projects

(e.g. Regulatory and Operating Agreements). The Authority shall project a stabilized number of units (Stabilized Base Unit Count) to be reached in no more than five years after all planned or anticipated activities have been completed that would reduce future Capital Fund grants.

- **Portfolio Schedule Sample** (MS-Excel, 64 KB)
- **Portfolio Schedule Form** (MS-Excel)
- **Portfolio Schedule Instructions** (MS-Word, 24 KB)

HUD generates per unit funding schedules and other Capital Fund Reports that can be used to complete the portfolio schedule. These schedules can be found at **2008 Capital Fund Reports page**.

4. Other required submissions:

- a. **Capital Fund Financing budget** detailing the use of the CFFP loan proceeds. Proceeds may be used only for the modernization or development of public housing and related costs including the modernization or development of non-dwelling space. Financing proceeds may not be used for administration or central office cost center costs (except for mixed-finance projects), management improvements, or upon non-viable projects, such as those subject to required conversion. Financing proceeds may be used to reimburse predevelopment costs, but only to the extent they were incurred in conformance with applicable regulatory requirements. **Sample Capital Fund Financing budget** (MS-Excel, 97 KB) The Capital Fund Financing budget utilizes the Annual Statement form. HUD will accept an Annual Statement submitted in accordance with 4(b)(1) in satisfaction of the requirement for a Capital Fund Financing budget in this section 4(a). Qualified PHAs that are not required to submit Annual Statements as part of their PHA Plan must still submit a Capital Fund Financing budget as part of their CFFP Proposal, however Annual Statements and Five-Year Action Plans showing the use of Capital Funds for the payment of debt service will not be required of Qualified PHAs.
- b. A copy of the following PHA Plan information: 1) an Annual Statement showing the use of the CFFP proceeds; and 2) an Annual Statement and Five-Year Action Plan (Capital Fund Program tables) showing the use of Capital Fund Program (CFP) grant amounts and/or Replacement Housing Factor (RHF) grant amounts for debt service payments.

Where a PHA is requesting that HUD establish automatic payment of debt service from LOCCS to the lender or trustee, the PHA should use BLI 9000 to show debt service payments in their annual plan and Five Year Action Plan. The budgets in LOCCS for open grants which will be used to make debt service payments need to be revised to reflect the estimated debt service payment amounts on the BLI 9000. Where a PHA will be making direct payments of debt service, BLI 1501 should be used. The cover letter should include a statement confirming that the above items have been incorporated into an approved plan. However, to the extent a Qualified PHA is not required to submit Annual Statements or Five-Year Action Plans as part of their PHA Plan, these items are not required to be submitted as part of a CFFP Proposal.

- c. The cover letter should include a statement confirming that the above items have been incorporated into an approved plan. However, to the extent a Qualified PHA is not required to submit Annual Statements or Five-Year Action Plans as part of their PHA Plan, these items are not required to be submitted as part of a CFFP Proposal.
- d. **An independent, third party management assessment** (MS-Word, 69 KB)
- e. **An independent third party fairness opinion** (MS-Word, 27 KB)
- f. A **physical needs assessment** (MS-Excel 2.7MB) covering the Authority's entire public housing portfolio, for the term of the financing, taking into consideration the life cycle replacement costs of all major building systems

5. Financing documents:

6. Declaration of Trust requirements:

- **Consolidated Annual Contributions Contract Part A (form HUD 53012A)**
- **Consolidated Annual Contributions Contract Part B (form HUD 53012B)**
- **Development Project Grant Amendment to Consolidated Annual Contributions Contract (form HUD 53010-D)**
- **Declaration of Restrictive Covenants (Standard)** (MS-Word, 49 KB)
- **Declaration of Restrictive Covenants (op sub only)** (MS-Word, 49 KB)
- **Declaration of Trust Public Housing Modernization Grant Projects (form HUD-52190-B)**

- **PIH notice 2009-28, Guidance on the Recording of DOTs**
- **24 CFR Subpart D 941.401(c)**
- **24 CFR Subpart F 941.610(a)(2)(i)**

7. Board Resolution, Counsel's Opinion, and Depository

Agreement:

- a. The PHA must submit evidence of a PHA Board resolution that authorizes the PHA to undertake the loan up to a specified amount; provide all security interests required by the loan; and repay the loan with capital funds as required by the financing documents. The Board resolution must also provide authorization for the Executive Director or other executive staff to negotiate and enter into all legal documents required as part of the transaction.
- b. The PHA must submit PHA counsel's opinion, which opines that the PHA has the authority to enter into the transaction, and that the transaction complies with the requirements of the 1937 Act, as amended, federal regulations, and the ACC, as amended. **Sample Opinion of Counsel** (MS-Word, 72 KB)
- c. The PHA must submit a depository agreement that covers all of the CFFP funds. **Sample Depository Agreement**

Pooled CFFP Transactions

While most *Capital Fund Financing Program* transactions involve a single PHA, an alternate model also exists. This model involves groups, or Pools, of PHAs within the same state, entering into agreements to jointly pursue CFFP financing. The CFFP Pool model is transferable and relevant to any CFFP transaction for PHAs and can provide benefits in the form of shared costs, expertise and the inherent support of a grouped approach.

The primary reason PHAs have chosen to engage in a Pool approach is because it enables PHAs to reduce transaction costs and make larger, complex transactions feasible for smaller PHAs or smaller projects. In these situations, Bonds may be issued through the state Housing Finance Agency (HFA), a lead PHA, an affiliate or a procured financial professional. In many cases, the Pool is able to set up an internal team comprised of HFA and/or PHA staff and procured legal and financial professionals who can help drive the process through approval. For these reasons and

more, Pools are a viable alternative to a single CFFP transaction. There are advantages and disadvantages to seeking CFFP funds through a pooled transaction. Please feel free to contact the CFFP staff to discuss.

For Pooled transactions please provide:

- A. Master list of participating PHAs;
 - 1. **Pool Mailing List - Sample** (MS-Excel, 42 KB)
 - 2. **Pool Spreadsheet** (MS-Excel, 24 KB)
- B. Master Sources and Uses statement and Master Effective Cost of Financing;
- C. Narrative statement on the structure of the Pool.

If you have any questions regarding the CFFP application requirements please **contact a member of the CFFP team**.

**NEW ISSUE
FULL BOOK-ENTRY ONLY**

**RATING: Standard and Poor's: AA- (stable outlook)
(See "Rating" herein)**

In the opinion of Patton Boggs LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Series 2014A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Series 2014A Bonds and any gain from the sale of the Series 2014A Bonds is not includable in gross income under the New Jersey Gross Income Tax Act. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2014A Bonds. See "TAX MATTERS" herein.

\$17,890,000
HOUSING AUTHORITY OF THE CITY OF NEWARK
CAPITAL FUND PROGRAM REVENUE BONDS, SERIES 2014A

Dated: Date of Issue

Due: As Shown on Inside Cover

The \$17,890,000 Capital Fund Program Revenue Bonds, Series 2014A (the "Series 2014A Bonds") are issuable only as fully registered bonds, without coupons, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Beneficial Owners will not be entitled to receive physical delivery of the Series 2014A Bonds. Beneficial ownership of the Series 2014A Bonds may be acquired in denominations of \$5,000 and integral multiples thereof within a maturity. See "APPENDIX E – BOOK-ENTRY SYSTEM."

Interest on the Series 2014A Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2014. Principal or redemption price of and interest on the Series 2014A Bonds will be payable initially to DTC by U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"). The Series 2014A Bonds are being issued by the Housing Authority of the City of Newark (the "Authority") pursuant to a Master Trust Indenture dated as of January 9, 2014 (the "Indenture"), between the Authority and the Trustee for the purpose of (i) providing permanent financing for the acquisition, construction, renovation, demolition, and replacement, equipping and installation of capital improvements to certain public housing buildings owned by the Authority and certain Authority administrative buildings (collectively, the "Project"), (ii) providing for a deposit to the Debt Service Reserve Fund of the Debt Service Reserve Fund Requirement, and (iii) paying the costs of issuance relating to the Series 2014A Bonds. See "THE PROJECT" herein.

The Series 2014A Bonds are repayable from payments of Capital Fund Program moneys ("Capital Fund Allocations") received by the Authority from the United States Department of Housing and Urban Development ("HUD") and pledged and assigned by the Authority to the Trustee for the benefit of the holders of the Series 2014A Bonds and any Additional Bonds that may be issued under the Indenture. HUD and the Authority have agreed, pursuant to a Capital Fund Financing Amendment entered into between the Authority and HUD (the "Capital Fund Financing Amendment"), that HUD will make payments of Capital Fund Allocations that the Authority would have received under its Annual Contributions Contract ("ACC") directly to the Trustee, rather than to the Authority, in amounts sufficient to pay debt service on the Series 2014A Bonds.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2014A BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES HERETO, PRIOR TO MAKING AN INVESTMENT DECISION. THE REVENUES PLEDGED UNDER THE INDENTURE AS PART OF THE TRUST ESTATE ARE SUBJECT TO THE AVAILABILITY OF ANNUAL APPROPRIATIONS FROM CONGRESS FOR THE PURPOSES OF THE CAPITAL FUND PROGRAM ADMINISTERED BY HUD AS WELL AS OTHER RISK FACTORS. SEE "CERTAIN BONDHOLDERS' RISKS."

THE SERIES 2014A BONDS ARE SUBJECT TO REDEMPTION PRIOR TO MATURITY AT PAR UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN.

THE SERIES 2014A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES THAT HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE THE PAYMENT THEREOF. THE SERIES 2014A BONDS DO NOT CONSTITUTE A DEBT OF THE CITY OF NEWARK NOR THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY), AND NEITHER THE CITY OF NEWARK, NOR THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY) IS LIABLE THEREON. IN NO EVENT SHALL THE SERIES 2014A BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY PLEDGED PURSUANT TO THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. SEE "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THESE SECURITIES.

The Series 2014A Bonds are not a debt or liability of, or guaranteed by, the United States of America or HUD. The full faith and credit of the United States of America is not pledged to the payment of debt service on the Series 2014A Bonds and the payment of debt service on the Series 2014A Bonds is not guaranteed by the United States of America or HUD.

The Series 2014A Bonds are offered when, as and if issued and received by the Underwriter named below, and subject to the approving opinion of Patton Boggs LLP, Newark, New Jersey, Bond Counsel to the Authority, as to the validity and tax-exempt status of the Series 2014A Bonds and the approval of certain other matters for the Authority. Certain legal matters will be passed upon for the Authority by Ellen Michelle Harris, Esq., Corporation Counsel to the Authority, and by Ballard Spahr LLP, Philadelphia, Pennsylvania, as special HUD counsel, and for the Underwriter by its counsel Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey. It is expected that the Series 2014A Bonds will be available for delivery through the facilities of DTC, or to the Trustee on behalf of DTC by Fast Automated Securities Transfer (FAST), on or about January 29, 2014 (the "Closing Date").

LOOP CAPITAL MARKETS

Dated: January 15, 2014

**NEW ISSUE
FULL BOOK-ENTRY ONLY**

**RATING: Standard and Poor's: AA- (stable outlook)
(See "Rating" herein)**

In the opinion of Patton Boggs LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Series 2014A Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Series 2014A Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Series 2014A Bonds and any gain from the sale of the Series 2014A Bonds is not includable in gross income under the New Jersey Gross Income Tax Act. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2014A Bonds. See "TAX MATTERS" herein.

\$17,890,000

**HOUSING AUTHORITY OF THE CITY OF NEWARK
CAPITAL FUND PROGRAM REVENUE BONDS, SERIES 2014A**

Dated: Date of Issue

Due: As Shown on Inside Cover

The \$17,890,000 Capital Fund Program Revenue Bonds, Series 2014A (the "Series 2014A Bonds") are issuable only as fully registered bonds, without coupons, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to ultimate purchasers ("Beneficial Owners") under the book-entry-only system maintained by DTC through brokers and dealers who are, or act through, DTC Participants. Beneficial Owners will not be entitled to receive physical delivery of the Series 2014A Bonds. Beneficial ownership of the Series 2014A Bonds may be acquired in denominations of \$5,000 and integral multiples thereof within a maturity. See "APPENDIX E – BOOK-ENTRY SYSTEM."

Interest on the Series 2014A Bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2014. Principal or redemption price of and interest on the Series 2014A Bonds will be payable initially to DTC by U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"). The Series 2014A Bonds are being issued by the Housing Authority of the City of Newark (the "Authority") pursuant to a Master Trust Indenture dated as of January 9, 2014 (the "Indenture"), between the Authority and the Trustee for the purpose of (i) providing permanent financing for the acquisition, construction, renovation, demolition, and replacement, equipping and installation of capital improvements to certain public housing buildings owned by the Authority and certain Authority administrative buildings (collectively, the "Project"), (ii) providing for a deposit to the Debt Service Reserve Fund of the Debt Service Reserve Fund Requirement, and (iii) paying the costs of issuance relating to the Series 2014A Bonds. See "THE PROJECT" herein.

The Series 2014A Bonds are repayable from payments of Capital Fund Program moneys ("Capital Fund Allocations") received by the Authority from the United States Department of Housing and Urban Development ("HUD") and pledged and assigned by the Authority to the Trustee for the benefit of the holders of the Series 2014A Bonds and any Additional Bonds that may be issued under the Indenture. HUD and the Authority have agreed, pursuant to a Capital Fund Financing Amendment entered into between the Authority and HUD (the "Capital Fund Financing Amendment"), that HUD will make payments of Capital Fund Allocations that the Authority would have received under its Annual Contributions Contract ("ACC") directly to the Trustee, rather than to the Authority, in amounts sufficient to pay debt service on the Series 2014A Bonds.

THIS COVER PAGE CONTAINS ONLY A SUMMARY OF INFORMATION REGARDING THE SERIES 2014A BONDS. POTENTIAL INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES HERETO, PRIOR TO MAKING AN INVESTMENT DECISION. THE REVENUES PLEDGED UNDER THE INDENTURE AS PART OF THE TRUST ESTATE ARE SUBJECT TO THE AVAILABILITY OF ANNUAL APPROPRIATIONS FROM CONGRESS FOR THE PURPOSES OF THE CAPITAL FUND PROGRAM ADMINISTERED BY HUD AS WELL AS OTHER RISK FACTORS. SEE "CERTAIN BONDHOLDERS' RISKS."

THE SERIES 2014A BONDS ARE SUBJECT TO REDEMPTION PRIOR TO MATURITY AT PAR UNDER CERTAIN CIRCUMSTANCES DESCRIBED HEREIN.

THE SERIES 2014A BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM THE REVENUES THAT HAVE BEEN PLEDGED AND ASSIGNED TO THE TRUSTEE TO SECURE THE PAYMENT THEREOF. THE SERIES 2014A BONDS DO NOT CONSTITUTE A DEBT OF THE CITY OF NEWARK NOR THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY), AND NEITHER THE CITY OF NEWARK, NOR THE STATE OF NEW JERSEY NOR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE AUTHORITY) IS LIABLE THEREON. IN NO EVENT SHALL THE SERIES 2014A BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY PLEDGED PURSUANT TO THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. SEE "CERTAIN BONDHOLDERS' RISKS" HEREIN FOR CERTAIN INFORMATION THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THESE SECURITIES.

The Series 2014A Bonds are not a debt or liability of, or guaranteed by, the United States of America or HUD. The full faith and credit of the United States of America is not pledged to the payment of debt service on the Series 2014A Bonds and the payment of debt service on the Series 2014A Bonds is not guaranteed by the United States of America or HUD.

The Series 2014A Bonds are offered when, as and if issued and received by the Underwriter named below, and subject to the approving opinion of Patton Boggs LLP, Newark, New Jersey, Bond Counsel to the Authority, as to the validity and tax-exempt status of the Series 2014A Bonds and the approval of certain other matters for the Authority. Certain legal matters will be passed upon for the Authority by Ellen Michelle Harris, Esq., Corporation Counsel to the Authority, and by Ballard Spahr LLP, Philadelphia, Pennsylvania, as special HUD counsel, and for the Underwriter by its counsel Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey. It is expected that the Series 2014A Bonds will be available for delivery through the facilities of DTC, or to the Trustee on behalf of DTC by Fast Automated Securities Transfer (FAST), on or about January 29, 2014 (the "Closing Date").

LOOP CAPITAL MARKETS

Dated: January 15, 2014



500 Broad Street • Newark, NJ 07102
tel. (973) 273-6000 • fax (973) 642-1242

August 29, 2014

Ms. Sonia Burgos, Director
U.S. Department of Housing and Urban Development
One Newark Center
Newark, NJ 07102

Attn: Mr. Raj Patel

Re: CFFP-Performance and Evaluation Report as of June 30, 2014.

Dear Ms. Burgos:

Attached, please find for your review the CFFP-Performance and Evaluation Report as of June 30, 2014.

If you have any questions on this, please contact Samuel Moolayil of my staff at (973) 273-6413.

Sincerely,


Michael A. Moore,
Chief Financial Officer

Attachments

CC: Ms. Janet Abrahams, Chief of Operations, NHA.

Original Annual Statement Reserve for Disasters/Emergences Revised Annual Statement/Revision Number 1 Final Performance and Evaluation Report Performance and Evaluation Report for Program Year Ending 6/30/14

Line No.	Summary by Development Account	Original Estimated	Revised Estimated Cost	Obligated	Total Actual Cost 2	Expended
01	Total Non CFP Funds		Rev 1			
02	1406 Operations (may not exceed 20% of line 20)					
03	1408 Management Improvements					
04	1410 Administration					
05	1411 Audit					
06	1415 Liquidated Damages					
07	1430 Fees and Costs	1,015,702	875,751	423,991		384,984
08	1440 Site Acquisition					
09	1450 Site Improvement	1,308,781	1,308,781	106,199		0
10	1460 Dwelling Structures	14,403,391	14,403,392	6,727,127		1,486,729
11	1465.1 Dwelling Equipment- Nonexpendable					
12	1470 Nondwelling Structure					
13	1475 Nondwelling Equipment					
14	1485 Demolition	1,500,000	1,500,000	850,550		0
15	1492 Moving to Work Demonstration					
16	1492.1 Relocation Cost					
17	1499 Development					
18	1501 Collateralization of Debt Service paid by PHA	792,150	702,597	0		0
19	1502 Contingency(may not exceed 8% of line 20)					
20	Amount of Annual Grant (sum of lines 2-19)	19,020,024	18,790,520.50	8,107,867		1,871,713
21	Amount of line 20 related to LBP Activities					
22	Amount of line 20 related to Section 504 Compliance					
23	Amount of line 20 related to Security- Soft Cost					
24	Amount of line 20 related to Security- Hard Cost					
	Amount of line 20 related to Energy Conservation Measures					

Signature of Executive Director: *Kevin Kinard* Date: 1/8/2014
 Signature of Public Housing Director: X Date: X

1. To be completed for the Performance and Evaluation Report or a Revised Annual Statement
 2. To be completed for the Performance and Evaluation Report
 form HUD-50075.1 (4/2008)

Annual Statement/ Performance and Evaluation Report		US Department of Housing and Urban Development	Office of Public and Indian Housing	Original	Revision	Obligated	Expended
PART II: SUPPORTING PAGES		and Urban Development			(EXP. 4/30/2017)	Thru Data Date:	11/30/2014
SUPPORT FOR CFFP		office of Public and Indian Housing			Report Print Date:	12/23/2014	
Development No./Name HA-Wide Activities	General Description of Major Work Categories	Dev't Acc #	Quantity	Original	Revision	Obligated	Expended
AMP Community 3007-0041 Jose Rosario NJ2-44A (83 Units)							
	Fees & Costs - Consultant	1430-01		10,554		4,989	1,427
	Fees & COSTS - OTHER (Bond Obligation)	1430-09		40		4,562	4,562
			Subtotal for 1430	10,694		9,551	5,989
	S/- Sidewalks/Parking/Fencing- 83 units	1450		57,000		0	0
			Subtotal for 1450	57,000		0	0
	D/S - Windows and Doors Replacement - 40 units	1460-02		182,600		243,004	0
	D/S - Weak Floors Repairs - 6 units	1460-57		36,000		0	0
			Subtotal for 1460	218,600		243,004	0
	Collateralization of Debt Service paid by PHA	1501		12,600		0	0
			Subtotal for 1501	12,600		0	0
			Subtotal for 3006-0051 Jose Rosario NJ2-44	298,894		252,555	5,989
AMP Community 3007-0042 Serenity NJ2-40 (14 Units @ Quitman/All)							
	Fees & Costs - Consultant	1430-01		1,764		8,507	2,405
	Fees & COSTS - OTHER (Bond Obligation)	1430-08		40		7,690	7,690
			Subtotal for 1430	1,804		16,197	10,095
	S/- Sidewalks/Parking/Fencing- 14 units	1450		14,940		0	0
			Subtotal for 1450	14,940		0	0
	D/S - Windows and Doors Replacement - 7 units	1460-02		39,200		43,358	0
	D/S- Weak Floors - 3 units	1460-57		18,000		0	0
	D/S - ATO- 9 units	1460-31		408,253		0	0
			Subtotal for 1460	465,453		43,358	0
	Collateralization of Debt Service paid by PHA	1501		21,223		0	0
			Subtotal for 1501	21,223		0	0
			Subtotal for 3007-0042 Serenity NJ2-40 (14 Units @ Quitman/All AMP 3007)	503,419		59,555	10,095
AMP Community 3007-0043 Oak Brook/Park Place (88 Units)							
	Fees & Costs - Consultant	1430-01		11,298		302	90
	Fees & COSTS - OTHER (Bond Obligation)	1430-09		40		287	287
			Subtotal for 1430	11,338		589	377
	D/S - Weak Floors Repairs - 1 unit	1460-57		6,000		0	0
			Subtotal for 1460	6,000		0	0
	Collateralization of Debt Service paid by PHA	1501		763		0	0
			Subtotal for 1501	763		0	0
			Subtotal for 3007-0043 Oak Brook/Park Place	18,101		589	377
AMP Community 3007-0044 NJ2-50B Southpoint - Sherman Ave & Vanderpool (6 Units)							
			Subtotal for 3007-0044 NJ2-50B Southpoint - Sherman Ave & Vanderpool	0		0	0
AMP Community 3009-0045 NJ2-70 Kretchmer Townhomes (143 Units)							
	Fees & Costs - Consultant	1430-01				29,343	8,391
	Fees & Costs - AE	1430-00				8,300	8,300
	Fees & COSTS - OTHER (Bond Obligation)	1430-09		40		26,829	26,829
			Subtotal for 1430	39,440		64,472	43,520
	S/- Sidewalks/Parking/Fencing- 143 units	1450		108,500		0	0
			Subtotal for 1450	108,500		0	0
	D/S - Weak Floors Repairs - 6 units	1460-57		36,000		9,555	0

Annual Statement/ Performance and Evaluation Report		US Department of Hc and Urban Development	office of Public and Indian Housing	Original	Revision	Obligated	Expended
PART II: SUPPORTING PAGES		Development			(EXP. 4/30/2017)	Thru Data Date:	1/29/2014
SUPPORT FOR CFFP						Report Print Date:	12/23/2014
Development No./Name HA-Wide Activities	General Description of Major Work Categories	Devt Acc #	Quantity	Original	Revision	Obligated	Expended
	Demolition - Administrative Building	1485	Subtotal for 1460	36,000		9,555	0
				1,500,000		471,050	174,665
			Subtotal for 1485	1,500,000		471,050	174,665
	Collateralization of Debt Service paid by PHA	1501		73,189		0	0
			Subtotal for 1501	73,189		0	0
			Subtotal for 3009-0045 NJ-2-70 Ketchimer Townhomes	1,757,129		545,077	218,185
AMP Community 3010-0046 NJ-52 Wynona Lipman (300 Units)							
	Fees & Costs - Consultant	1430-01		17,598		3,287	844
	FEES & COSTS - OTHER (Bond Obligation)	1430-09		40		2,697	2,697
			Subtotal for 1430	17,638		5,985	3,541
	D/S - Weak Floors Repairs - 25 units	1460-57		150,000		0	0
			Subtotal for 1460	150,000		0	0
	Collateralization of Debt Service paid by PHA	1501		8,303		0	0
			Subtotal for 1501	8,303		0	0
			Subtotal for 3010-0046 NJ-52 Wynona Lipman	175,941		5,985	3,541
AMP Community 3011-0047 NJ-67 (Phase I) Riverside Villa (51 Units)							
	Fees & Costs - Consultant	1430-01		6,531		1,536	440
	FEES & COSTS - OTHER (Bond Obligation)	1430-09		40		1,406	1,406
			Subtotal for 1430	6,571		2,942	1,846
	S/I- Sidewalks/Parking/Fencing- 51units	1450		45,600		0	0
			Subtotal for 1450	45,600		0	0
	D/S - Weak Floors Repairs - 6 units	1460-57		36,000		51,091	32,422
			Subtotal for 1460	36,000		51,091	32,422
	Collateralization of Debt Service paid by PHA	1501		3,881		0	0
			Subtotal for 1501	3,881		0	0
			Subtotal for 3011-0047 NJ-67 (Phase I) Riverside Villa	92,052		54,033	34,268
AMP Community 3011-0048 NJ-68 (Phase II) Riverside Villa (60 Units)							
	Fees & Costs - Consultant	1430-01		7,691		1,006	206
	FEES & COSTS - OTHER (Bond Obligation)	1430-09		40		660	660
			Subtotal for 1430	7,730		1,666	866
	S/I- Sidewalks/Parking/Fencing- 2 units	1450		4,230		0	0
			Subtotal for 1450	4,230		0	0
	D/S - Weak Floors Repairs - 5 units	1460-57		45,784		45,784	9,655
			Subtotal for 1460	45,784		45,784	9,655
	Collateralization of Debt Service paid by PHA	1501		1,847		0	0
			Subtotal for 1501	1,847		0	0
			Subtotal for 3011-0048 NJ-68 (Phase II) Riverside Villa	59,591		47,450	10,521
AMP Community 3011-0049 NJ-69 (Phase III) Riverside Villa (87 Units)							
	Fees & Costs - Consultant	1430-01		11,169		1,084	314
	FEES & COSTS - OTHER (Bond Obligation)	1430-09		40		1,004	1,004
			Subtotal for 1430	11,209		2,088	1,318
	S/I- Sidewalks/Parking/Fencing- 2 units	1450		9,000		0	0
			Subtotal for 1450	9,000		0	0
	D/S - Weak Floors Repairs - 7 units	1460-57		24,510		24,510	0