

**MINUTES OF THE 295TH BOARD MEETING
OF THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

MEMBERS:

- * Charles Richman, Deputy Commissioner, DCA
(representing Susan Bass Levin, Commissioner, DCA)
- **Robert Romano, Assistant Attorney General via phone until 11:00 a.m.
(representing Stuart Rabner, Attorney General)
- ***Steve Petrecca, Assistant Manager, Office of the State Treasurer
(representing Bradley Abelow, State Treasurer)
- ****Thomas Hunt, Assistant Director, Office of Consumer Finance, Department of Bank and
Insurance
Monsignor William Linder
Patrick Sheehan
Michael Steele

OFFICIALS

PRESENT:

Marge Della Vecchia, Executive Director
Tracee Battis, Chief of Programs
Eileen Hawes, Chief Financial Officer
Peter Kasabach, Chief of Policy and Community Development
Michael Floyd, Chief of Program Services
Leslie Lefkowitz, Chief of Regulatory Affairs
Lenore Rosner, Chief of Operations
Claudia Lovas, Director of Program Development
Michael Staton, Director of Multifamily Programs and Credits
Darryl Applegate, Director of Regulatory Affairs
Pam McCrory, Director of Supported Housing and Special Needs
Tony Cupano, Director of Property Management
Jerry Keelen, Director, Single Family
Todd Evans, Director of Finance
Tony Cupano, Director of Property Management
Harry Stevens, General Services Assistant
Carilyn Willis, Executive Secretary

OTHERS

PRESENT:

Bob Shaughnessy, Deputy Attorney General
Laura Shea, Deputy Attorney General
Bob Purcell, Deputy Attorney General
Melissa Lieberman, Governor Authority Unit
Gary Backinoff, Teich Groh PC
Martin Bershstein
Marvin Gibson, MW Gibson Consulting

- * Letter of January 18, 2007 designating Charles Richman to represent Susan Bass Levin, Commissioner
- ** Letter of February 6, 2006 designating Robert Romano to represent Stuart Rabner, Attorney General
- *** Letter of February 8, 2006 designating Steve Petrecca to represent Bradley Abelow, State Treasurer
- **** Letter of January 3, 2007, designating Thomas Hunt to represent Steven Goldman, Commissioner, Department of Banking and Insurance

SUNSHINE ACT

"The New Jersey Housing and Mortgage Finance Agency gave notice of the time, place and date of this meeting by facsimile, regular mail and hand delivery on January 9, 2007 to the Secretary of State of New Jersey, The Star Ledger, The Times, and the Courier Post, and by posting the notice at the office of the Agency in Trenton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Housing and Mortgage Finance Agency in order to hold a session from which the public is excluded."

EXECUTIVE SESSION

*Chairman Richman read the following into the minutes: **WHEREAS** pursuant to Sections 12 and 13 of the Open Public Meetings Act, the Agency intends to receive legal advice concerning consideration of the Initial Decision and issuance of a Final Decision on the HMFA #7 Union Plaza rent increase matter and **NOW, THEREFORE**, be it resolved by the Members of the New Jersey Housing and Mortgage Finance Agency as follows: 1. A closed session shall be held by the Agency for the purposes set forth above. 2. The discussions undertaken at the closed session will be disclosed when the need for confidentiality no longer exists.*

Monsignor Linder moved and Thomas Hunt seconded a motion to enter into Executive Session at 10:15 a.m.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan, Robert Romano

Nay- None

Robert Romano was present telephonically until 11:00 a.m.

RECONVENE TO PUBLIC AT 11:20 a.m.

Chairman Richman advised the public that he directed DAG Shaughnessy to prepare a form of Final Decision in accordance with the discussions held in Executive Session, which the Board will review, consider and take action upon later in this meeting.

SINGLE FAMILY

LEEWOOD MT. ZION COMMUNITY CENTER - APPROVAL OF TO MAKE AN ELIGIBLE LOAN - ITEM 1A.

Monsignor Linder moved and Steve Petrecca seconded 1. Approval of a commitment to make an eligible loan of up to \$50,000 for the purpose of financing the construction of the Mt. Zion Community Life Center Community Center (the "Community Center") located in New Brunswick.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan

Nay- None

APPROVAL OF AN AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN DCA AND HMFA REGARDING THE REPAYMENT OF HOUSING INCENTIVE FUNDS – ITEM 1B.

Patrick Sheehan moved and Steve Petrecca seconded 1. Authorization for the Agency to execute a second amendment to the April 30, 1996 Memorandum of Understanding, as amended, (“MOU”) between the Agency and DCA that will enable the Agency’s Housing Incentive Fund (“HIF”) to be reimbursed with Neighborhood Preservation Balanced Housing Funds, subject to the availability of funds, for all currently completed units and henceforth as additional units are completed.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

MULTI-FAMILY

HMFA #2187 – CHAPEL HILL – APPROVAL OF A FINANCING COMMITMENT – ITEM 2A.

Michael Steele moved and Patrick Sheehan seconded 1. Approval of a mortgage commitment for an estimated \$2,158,000 in permanent financing for a project known as Chapel Hill, HMFA #02187, upon the terms and conditions set forth in the Request for Action.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

HMFA #1480 – PLEASANTVILLE HOPE VI – PHASE II – APPROVAL OF A MORTGAGE RECOMMITMENT – ITEM 2B.

Michael Steele moved and Patrick Sheehan seconded 1. Approval of a mortgage recommitment for an estimated \$600,000 in permanent financing from the Strategic Zone Lending Pool (SZL) for a project known as Pleasantville HOPE VI Phase II, HMFA #1480, upon the terms and conditions set forth in the Request for Action.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Michael Steele, Patrick Sheehan
Nay-None
Abstained – Monsignor Linder*

HMFA #1354 – MEDFORD COMMONS – APPROVAL OF A FINANCING RECOMMITMENT – ITEM 2C.

Michael Steele moved and Steve Petrecca seconded 1. Approval of a mortgage recommitment for an estimated \$1,725,000 in permanent financing for a project known as Medford Commons, HMFA #1354, upon the terms and conditions set forth in the Request for Action. 2. Approval of a second mortgage loan recommitment in the amount of \$1,200,000 from the HMFA Affordable Rental Housing Subsidy Loan Program, upon the terms and conditions set forth in the Request for Action.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

MULTI-FAMILY/SPECIAL NEEDS

HMFA #1499/CBVI #3 – CREEKSIDE – APPROVAL OF A FINANCING COMMITMENT AND RECOMMITMENT – ITEM 3A.

Monsignor Linder moved and Thomas Hunt seconded 1. Approval of a mortgage recommitment for an estimated \$1,534,000 in permanent financing for a project known as Creekside, HMFA #1499, upon the terms and conditions set forth in the Request for Action. 2. Approval of a second mortgage loan recommitment for an estimated \$640,000 in secondary financing from the Agency's Affordable Rental Housing Subsidy Loan Program for a project known as Creekside, HMFA #1499, upon the terms and conditions set forth in the Request for Action. 3. Approval of a mortgage loan commitment for an estimated \$350,000 in subordinate financing from the Agency's Commission for the Blind and Visually Impaired ("CBVI") component of the New Jersey Community Housing Partnership Programs for a project known as Creekside, HMFA #1499, upon the terms and conditions set forth in the Request for Action.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

HMFA #1465/DDHP #17 – MILLVILLE SENIOR – APPROVAL OF A MORTGAGE RECOMMITMENT – ITEM 3B.

Michael Steele moved and Patrick Sheehan seconded 1. Approval of a mortgage recommitment for an estimated \$300,000 in permanent financing from the Division of Developmental Disabilities' Community Housing Program component of the New Jersey Community Housing Partnership Program (NJCHPP), for a project known as Millville Senior Housing, HMFA #1465/DDHP #17, upon the terms and conditions set forth in the Request for Action.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

MULTI-FAMILY/SPECIAL NEEDS TRUST FUND

HMFA #1467/SNHTF #6 – MAPLETHORNE-STRATFORD – APPROVAL OF A FINANCING COMMITMENT – ITEM 4A.

Patrick Sheehan moved and Michael Steele seconded 1. Approval of a mortgage commitment for an estimated \$3,189,000 in construction financing for a project known as Maplethorne-Stratford Housing, HMFA #1467/SNHTF #6, upon the terms and conditions set forth in the Request for Action. 2. Approval of a mortgage commitment for an estimated \$1,535,000 from the Special Needs Housing Trust Fund in permanent financing for a project known as Maplethorne-Stratford Housing, HMFA #1467/SNHTF #6, upon the terms and conditions set forth in the Request for Action.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

HMFA #01492/SNHTF #4 – FAIRVIEW VILLAGE II – APPROVAL OF A FINANCING RECOMMITMENT – ITEM 4B.

Monsignor Linder moved and Thomas Hunt seconded 1. Approval of a mortgage recommitment for an estimated \$4,609,000 in permanent financing for a project known as Fairview Village II, HMFA #1492, upon the terms and conditions set forth in the Request for Action. 2 Approval of a mortgage recommitment for an estimated \$1,011,000 in permanent financing from the Special Needs Housing Trust Fund ("SNHTF") for a project known as Fairview Village II, HMFA #1492/SNHTF #4, upon the terms and conditions set forth in the Request for Action.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

HMFA #02161/SNHTF #23 - RIGHTS OF PASSAGE – APPROVAL OF A MODIFICATION TO THE DECLARATION OF INTENT – ITEM 4C.

Patrick Sheehan moved and Michael Steele seconded 1. Approval to modify the “Declaration of Intent” for construction and permanent financing, dated December 14, 2006, from the sale of tax-exempt bonds or other funds available to the Agency for a project known as Rights of Passage, HMFA #02161, SPHTF#23. All other terms and conditions of the request for action dated December 14, 2006 regarding this project shall remain the same.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

OTHER BUSINESS

NCLT #1 – NORTH CAMDEN LAND TRUST – APPROVAL TO AMEND THE TERMS OF THE REHABILITATION LOAN – ITEM 5A.

Monsignor Linder moved and Thomas Hunt seconded 1. Approval to modify the financing commitment to North Camden Land Trust (NCLT) in an amount up to \$330,000 in rehabilitation funds by securing the funds by a first or subordinate blanket mortgage for up to 30 units currently in the NCLT Rent To Own program. 2. Approval to modify terms of Agency mortgage to resident/owner following transfer of home to resident/owner to be a first priority or subordinate mortgage. 3. Approval for the Executive Director to take any and all actions necessary to effectuate this transaction.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

NCLT #2 - NORTH CAMDEN LAND TRUST – APPROVAL OF THE MEMORANDUM OF UNDERSTANDING BETWEEN DCA AND HMFA – ITEM 5B.

Monsignor Linder moved and Patrick Sheehan seconded 1. Authorization for the Executive Director or her designee to execute a Memorandum of Understanding (MOU) between DCA and HMFA, substantially in the form attached hereto, and in compliance with the terms and conditions set forth therein in order to administer Balanced Housing Funds on behalf of the DCA in connection with the disbursement of such funds to Lutheran Social Ministries of New Jersey for the stabilization and preservation of rental units owned by North Camden Land Trust. 2. Authorization for the Executive Director or her designee to negotiate business terms of the MOU with an authorized representative of DCA.

Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None

FINANCE

APPROVAL TO AMEND THE SINGLE FAMILY RESOLUTION – ITEM 6A.

Patrick Sheehan moved and Steve Petrecca seconded 1. Approval of an amendment to a Resolution adopted by the Board on April 17, 2003 to increase the amount of reimbursement of funds utilized to make single-family loan purchases with bond proceeds from \$40 million to \$80 million.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

ANNUAL MEETING

APPROVAL OF THE ELECTION OF A VICE CHAIR – ITEM 7A.

Patrick Sheehan nominated the State Treasurer or his designee to serve as the Vice-Chairman of the Agency's Board. Monsignor Linder seconded the nomination.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

APPROVAL OF THE SCHEDULE OF REGULAR BOARD MEETINGS FOR 2007 AND THE DESIGNATION OF THE AGENCY'S OFFICIAL NEWSPAPERS – ITEM 7B.

Patrick Sheehan moved and Michael Steele seconded 1. Approval of the schedule of regular Agency Board meetings for the year 2007 as included in the Board's Agenda Book. 2. Approval to designate The Star Ledger, The Courier Post, and The Times as the Agency's official newspapers.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

15 minute recess.

EXECUTIVE SESSION

*Chairman Richman read the following into the minutes: **WHEREAS** pursuant to Sections 12 and 13 of the Open Public Meetings Act, the Agency intends to receive legal advice concerning consideration of the Initial Decision and issuance of a Final Decision on the HMFA #7 Union Plaza rent increase matter and **NOW, THEREFORE**, be it resolved by the Members of the New Jersey Housing and Mortgage Finance Agency as follows: 1. A closed session shall be held by the Agency for the purposes set forth above. 2. The discussions undertaken at the closed session will be disclosed when the need for confidentiality no longer exists.*

Patrick Sheehan moved and Monsignor Linder seconded a motion to enter into Executive Session at 12:21 p.m.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

RECONVENE TO PUBLIC

HMFA #7 UNION PLAZA – APPROVAL OF THE ISSUANCE OF THE FINAL DECISION OF THE RENT INCREASE MATTER

Chairman Richman summarized the Final Decision as follows: The Board hereby finds that Judge Springer's Initial Decision is arbitrary, capricious and unreasonable and unsupported by the evidence adduced at the Hearing. The Board further finds that there was ample evidence to support the Agency's approval of a 3% rent increase for the Union Plaza project. The Board hereby REJECTS the Initial Decision granting Union Plaza an additional 4.9% rent increase and ADOPTS as its Final Agency Decision in the matter, the Agency's approval of the 3% rent increase effective as set forth in the letter dated December 29, 2004 to Union Plaza, attached to the Final Agency Decision and otherwise as more fully found and concluded in the Final Agency Decision.

Also as part of the approval, the Board authorized staff to serve the Final Decision and Order upon the parties and the OAL and authorization for the Executive Director or any Chief to execute any such further documentation as may be required to comply with OAL filing and service requirements.

Monsignor Linder moved and Thomas Hunt seconded the issuance of the Final Decision of the Union Plaza as summarized above and as attached to the minutes as Appendix A.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

APPROVAL OF MINUTES

APPROVAL OF THE MINUTES OF THE AGENCY'S BOARD MEETING HELD JANUARY 18, 2007 IN SUBSTANTIALLY FINAL FORM – ITEM 8A.

Patrick Sheehan moved and Monsignor Linder seconded approval of the minutes of the Agency's Board Meeting held January 18, 2007 in substantially final form.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*

MOTION TO ADJOURN

Patrick Sheehan moved and Steve Petrecca seconded a motion to adjourn at 12:45 p.m.

*Aye- Charles Richman, Steve Petrecca, Thomas Hunt, Monsignor Linder, Michael Steele, Patrick Sheehan
Nay-None*