

**MINUTES OF THE 369TH BOARD MEETING
OF THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

MEMBERS:

- * Charles Richman, Assistant Commissioner, DCA
- ** Susan Fischer, Assistant Attorney General
(representing Jeffrey S. Chiesa, Attorney General)
- *** Robert Romano, Deputy State Treasurer, Department of Treasury
(representing Andrew Sidamon-Eristoff, State Treasurer)
- **** Thomas Hunt, Assistant Director, Office of Consumer Finance, Department of Banking and Insurance
(representing Thomas Considine, Commissioner, Department of Banking and Insurance)
- ***** Valerie L. Larosiliere, Assistant Director, Office of Housing, Policy and Program Evaluation Division of Mental Health Services, Department of Human Services
- ***** Cathy Boland, Supervising Program Development Specialist, Office of Housing, Policy, Planning and Evaluation, Division of Mental Health and Addiction Services, Department of Human Services
(representing Jennifer Velez, Commissioner, Department of Human Services)

Monsignor William Linder
Dorothy Blakeslee
Stanley Weeks

OFFICIALS
PRESENT:

Anthony Marchetta, Executive Director
Tracee Battis, Chief of Programs
Donna Rendeiro, Chief of Staff
Leslie Lefkowitz, Chief of Legal and Regulatory Affairs
Claudia Lovas, Director of Program Development
David Bonomo, Chief Financial Officer
Michael Floyd, Chief of Program Services
Laura Shea, Director of Housing Affordability Services (HAS)
Darryl Applegate, Director of Regulatory Affairs
Michael Staton, Director of Multifamily Programs and Credits
John Murray, Director of Multifamily Lending
Yirgu Wolde, Supported Housing and Special Needs Loan Manager
Todd Evans, Director of Capital Markets
Terry Fink, Director of Finance
Dawn Parreott, Legislative Liaison
Lisa Callahan, Executive Assistant to the Director of Program Development
Amy Palmer, Program Outreach Coordinator
Bruce Blumenthal, Community Development Ombudsman
Jerry Keelen, Director of Single Family
Bob Sasso, Director of Property Management
Harry Stevens, General Services Assistant
Carilyn Willis, Executive Secretary

OTHERS

PRESENT:

Kavin Mistry, Deputy Attorney General
Patricia Roach, Deputy Attorney General
Kim Sked, Deputy Attorney General
Nicole Crifo, Governor's Authority Unit
Barrett Young, Rescuse Mission of Trenton
Margaret Abbot, Recuse Mission of Trenton
Gary Backoff, Tech Groh
Ed Martoglio, RPM

- * Letter dated January 20, 2012 designating Charles Richman representing, Richard E. Constable, III, Acting Commissioner, DCA
- ** Letter of April 12, 2011 designating Susan Fischer to represent the Attorney General
- *** Letter of December 10, 2010 designating Robert Romano to represent the State Treasurer, Andrew Sidamon-Eristoff
- **** Letter of July 2, 2010 designating Thomas Hunt to represent Thomas Considine, Commissioner, Department of Banking and Insurance
- ***** Letter of July 8, 2011 designating Valerie L. Larosiliere and Cathy Boland to represent Jennifer Velez, Commissioner, Department of Human Services

January 26, 2012

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 10, 2012 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."

APPROVAL OF MINUTES

APPROVAL OF THE MINUTES OF THE NOVEMBER 10, 2011 MEETING OF THE HMFA BOARD – ITEM 1A.

Thomas Hunt moved and Stanley Weeks seconded approval of the minutes of the November 10, 2011 of the HMFA Board.

Aye-Charles Richman, Susan Fischer, Robert Romano Valerie Larosiliere, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

Valerie Larosiliere left the meeting at 10:10 a.m.

Cathy Boland joined the meeting at 10:10 a.m.

APPROVAL OF THE MINUTES OF THE DECEMBER 8, 2011 MEETING OF THE HMFA BOARD – ITEM 1B.

Thomas Hunt moved and Dorothy Blakeslee seconded approval of the minutes of the December 8, 2011 of the HMFA Board.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

SINGLE FAMILY

CHOICE #11-86 - SOUTH CAMDEN HISTORIC DISTRICT - PHASE IIC – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 2A.

Thomas Hunt moved and Dorothy Blakeslee seconded 1. Approval of a financing commitment under the Choices in Home Ownership (“CHOICE”) 2011 Program, upon the terms and conditions set forth in the Request for Action, for a construction loan in the estimated amount of \$337,950 and a CHOICE Subsidy allocation in an amount not to exceed \$750,000 to The Heart of Camden, Inc. (the “Sponsor”) or an entity to be formed by the Sponsor for the construction and completion of the project. 2. Authorization to provide 100% financing, subject to program availability, through the 100% Financing Mortgage Program for 15 end mortgage loans to qualified purchasers of units in the project, at the terms and conditions set forth in the Request for Action. 3. Authorization for the Executive Director, in consultation with the Attorney General’s Office, to take any action under the Intercreditor Agreement or CHOICE Program Guidelines that is necessary to protect the Agency’s financial interest in the construction loan and CHOICE Subsidy allocation.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

MULTIFAMILY

APPROVAL TO AMEND THE MULTIFAMILY RENTAL FINANCING PROGRAM GUIDELINES – ITEM 3A

Stanley Weeks moved and Thomas Hunt seconded 1. Approval to amend the Multifamily Underwriting Guidelines and Financing Policy (the Multifamily Guidelines) for all programs covered thereby, including the Multifamily Rental Financing Program, Construction Only Loan Program, and Small Rental Project Loan Program to include “scattered site projects” language. 2. Authorization for the Executive Director to approve amendments to correct errors in or clarify the Multifamily Guidelines, so long as such amendments do not result in a change in policy or implementation of the Multifamily Guidelines as currently approved. Specifically, the Executive Director would be authorized to approve corrections in spelling, punctuation, and misnumbering. Any amendments that would change the underlying policy or implementation of the Multifamily Guidelines from the form in which it is now presented shall remain subject to Board approval.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

HMFA #02710 – CENTRAL ORANGE VILLAGE II – APPROVAL OF A DECLARATION OF INTENT – ITEM 3B.

Thomas Hunt moved and Dorothy Blakeslee seconded 1. Approval of a “Declaration of Intent” stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$6,995,000 in permanent financing for a project known as Central Orange Village, HMFA #02710, upon the terms and conditions set forth in the Request for Action. Approval of this Declaration of Intent will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this approval, the Board expresses its present intent to issue bonds for this project. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy and/or the Agency’s Credit Enhanced Conduit Bond Program Guidelines, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

PRESERVATION

HMFA #02716 - LINCOLN TOWERS - APPROVAL OF A DECLARATION OF INTENT – ITEM 4A.

Robert Romano moved and Cathy Boland seconded 1. Approval of a “Declaration of Intent” stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$22,380,000 in construction financing for a project known as Lincoln Towers, HMFA #2716, upon the terms and conditions set forth in the Request for Action. Approval of this "Declaration of Intent" will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this approval, the Board expresses its present intent to issue bonds for this project. The ability of the project to conform to the Agency's Credit Enhanced Conduit Bond Program Guidelines, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

HMFA #321 - NEW HOPE VILLAGE – APPROVAL OF A PORTFOLIO RESERVE ACCOUNT (PRA) LOAN – ITEM 4B.

Thomas Hunt moved and Monsignor Linder seconded 1. Approval of a re-allocation of the remaining balance of an existing Portfolio Reserve Account (PRA) loan (\$45,000) and an increase of \$20,000 to the PRA loan to finance costs associated with the Weatherization Program. In the event PRA funds are not available, the Agency will use other program funds as they are available.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

SUPPORTIVE HOUSING

HMFA #02655/SNHTF #259 - PERRY STREET SUPPORTIVE HOUSING – APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 5A.

Monsignor Linder moved and Dorothy Blakeslee seconded 1. Approval of a mortgage commitment in the estimated amount of \$2,736,000 in construction and permanent financing from the Special Needs Housing Trust Fund (“SNHTF”) for a project known as Perry Street Supportive Housing, HMFA #02655/SNHTF #259 (the “Project”), upon the terms and conditions set forth in the Request for Action.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

HMFA #02541/SNHTF #216 - ORANGE ROAD - APPROVAL OF A MORTGAGE FINANCING COMMITMENT – ITEM 5B.

Monsignor Linder moved and Robert Romano seconded 1. Approval of a mortgage commitment for an estimated \$1,667,000 in construction and permanent financing from the Special Needs Housing Trust Fund for a project known as Orange Road, HMFA #02541 /SNHTF #216 (the “Project”), upon the terms and conditions set forth in the Request for Action.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

HMFA #02569/SNHTF #214 – FRED W. MARTIN APARTMENTS - APPROVAL OF A MORTGAGE COMMITMENT EXTENSION – ITEM 5C.

Thomas Hunt moved and Monsignor Linder seconded 1. Approval of an extension of a mortgage commitment for permanent financing from the Special Needs Housing Trust Fund (“SNHTF”), for a project known as Fred W. Martin Apartments, HMFA #02569, SNHTF#214 (the “Project”) for an estimated amount of \$1,000,000. This commitment extension will expire on April 26, 2012. The Executive Director is authorized to extend the commitment for two additional consecutive three-month periods, if deemed appropriate in his sole discretion. All other terms and conditions of the Requests for Action dated October 29, 2009 and January 14, 2010 regarding the Project shall remain the same.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

SPECIAL NEEDS HOUSING PARTNERSHIP LOAN PROGRAM – APPROVAL TO ENTER INTO A MOU WITH THE DEPARTMENT OF COMMUNITY AFFAIRS – ITEM 5D.

Thomas Hunt moved and Dorothy Blakeslee seconded 1. Authorization for the Executive Director of HMFA, or the Executive Director's designee, to execute a Memorandum of Understanding (MOU) by and between the New Jersey Department of Community Affairs (DCA) and HMFA, substantially in the form attached in the Request for Actin and in compliance with the terms and conditions set forth therein in order to allow the use of Home Express Funds to finance projects under the Special Needs Housing Partnership Loan Program formally known as Developmentally Disabled Partnership Loan Program (DDPLP). 2. Authorization for HMFA to receive Balanced Housing funds from DCA in the approximate amount of \$9,000,000, along with any additional amounts as may later be allocated, and to deposit these funds into the HMFA's Home Express Account to fund SNHPLP projects. 3. Authorization to change the name of the program from the Developmental Disabilities Partnership Loan Program (DDPLP) to the Special Needs Housing Partnership Program (SNHPLP).

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

PORTFOLIO DISPOSITION

HMFA #1316/ASL #33 – PARAGON VILLAGE – APPROVAL TO INITIATE FORECLOSURE – ITEM 6A.

Dorothy Blakeslee moved and Robert Romano seconded 1. Authorization to institute a foreclosure action against Paragon Village, LLC ("Paragon"), the owner of the Paragon Village project in Mt. Olive, Morris County, New Jersey (HMFA #1316) (the "Project") and to take any and all legal and equitable actions, including, but not limited to, recommending that the court appoint a receiver, to preserve the Project in connection with the foreclosure action. 2. Authorization for the Executive Director to execute any and all documents necessary to effectuate the actions described above.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

FINANCE

APPROVAL OF THE FISCAL YEAR 2012 BUDGET – ITEM 7A.

Tom Hunt stated that Agency staff provided a detailed explanation of the Fiscal Year 2011 revenues and expenses, as well as an explanation of the Fiscal Year 2012 proposed budget to the Finance and Audit subcommittee on January 23rd 2012. The subcommittee members in attendance were: Acting Commissioner Constable, Robert Romano representing Treasurer Andrew Sidamon-Eristoff, Dorothy Blakeslee and that he represented Commissioner Thomas Considine. As a member of the Finance and Audit subcommittee, he recommended approval of the Agency's budget for Fiscal Year 2012 as provided to the members of the Board.

Thomas Hunt moved and seconded 1. Approval of the Fiscal Year 2012 Budget as provided to the members of the Board under separate cover.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

APPROVAL OF REVISION TO BANK SIGNATORIES – ITEM 7B.

Thomas Hunt moved and Stanley Weeks seconded 1. Approval of Resolution authorizing revisions to the Authorized Signatories of the Agency Bank Accounts as stated in the Request for Action.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

ANNUAL MEETING

APPROVAL OF THE SCHEDULE OF REGULAR BOARD MEETINGS FOR 2012 AND DESIGNATION OF THE AGENCY’S OFFICIAL NEWSPAPERS – ITEM 8A.

Thomas Hunt moved and Cathy Boland seconded 1. Approval of the schedule of regular Agency Board meetings for the calendar year 2012. 2. Approval to designate The Star Ledger, The Courier Post, and The Times as the Agency's official newspapers.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

ELECTION OF A VICE-CHAIRMAN – ITEM 8B.

Robert Romano moved and Stanley Weeks seconded 1. Approval of the Election of the Commissioner of Banking and Insurance or his designee to serve as Vice-Chairman for the New Jersey Housing and Mortgage Finance Agency.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

OTHER BUSINESS

APPOINTMENT OF ASSISTANT SECRETARIES AND TREASURERS – ITEM 9A.

Robert Romano moved and Thomas Hunt seconded 1. Appointment of Laura Shea, Director, Housing Affordability Services and Claudia Lovas, Director of Program Development and Outreach as Assistant Secretaries and Assistant Treasurers of the New Jersey Housing and Mortgage Finance Agency.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

APPROVAL TO AMEND THE AGENCY’S BY-LAWS – ITEM 9B.

Dorothy Blakeslee moved and Robert Romano seconded 1. Approval of an amendment to Article III, Section 6 of the By-Laws of the New Jersey Housing and Mortgage Finance Agency.

*Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder,
Dorothy Blakeslee, Stanley Weeks
Nay-None*

RESOLUTION OF APPRECIATION FOR TRACEE BATTIS – ITEM 9C.

Thomas Hunt moved and Susan Fischer seconded 1. Approval of Resolutions of Appreciation for Tracee Battis.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

EXECUTIVE SESSION

Chairman Richman read the following into the minutes:

RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY TO CONDUCT A CLOSED SESSION

WHEREAS, pursuant to N.J.S.A. 10:4-12 and 10:4-13 of the Open Public Meetings Act, the Agency intends to obtain legal advice from the Office of the Attorney General regarding Nevada Street Apartments, HMFA #712 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.*

PUBLIC SESSION

HMFA #712 – NEVADA STREET APARTMENTS – APPROVAL OF SETTLEMENT AGREEMENT

Thomas Hunt moved and Robert Romano seconded 1. Approval of a settlement of litigation in the matter known as N.S. Limited Partnership v. New Jersey Housing and Mortgage Finance Agency, in accordance with the terms as discussed in Executive Session. 2. Authorization for the Executive Director or any Chief to execute, deliver, and accept such documents as necessary to effectuate the settlement in consultation with the Attorney General's Office.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None

MOTION TO ADJOURN

Dorothy Blakeslee moved and Robert Romano seconded a motion to adjourn at 11:14 a.m.

Aye-Charles Richman, Susan Fischer, Robert Romano Cathy Boland, Thomas Hunt, Monsignor Linder, Dorothy Blakeslee, Stanley Weeks
Nay-None