

Introduced By: *Theresa Castellano*

Seconded By: *Mike R*

**CITY OF HOBOKEN
RESOLUTION NO:**

**RESOLUTION AUTHORIZING EXECUTION OF AGREEMENT BETWEEN THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AND THE CITY OF
HOBOKEN FOR THE LIVE WHERE YOU WORK PROGRAM**

WHEREAS, the New Jersey Housing and Mortgage Finance Agency (HMFA) created the Live Where You Work (LWYW) program in order to increase homeownership and enhance housing affordability opportunities within partner municipalities; and

WHEREAS, the LWYW program is a home mortgage incentive program that provides low-interest mortgage loans to eligible homebuyers purchasing homes in towns where they are employed, with the goal being to build stronger communities by promoting homeownership and encouraging people to live closer to their jobs; and

WHEREAS, the LWYW program encourages the use of public transit and other forms of non-auto transportation for commuting to work, in furtherance of smart growth planning principles; and

WHEREAS, the HMFA through the LWYW program is the responsible party for providing enhanced financing benefits to eligible homebuyers; and

WHEREAS, the LWYW program will offer home-buying incentives to persons employed within the City of Hoboken by providing (1) down payment and closing cost assistance under the HMFA's Smart Start Program to eligible borrowers; and (2) expanded housing and debt ratios for homebuyers in underwriting mortgage loans to factor in the reduction in travel expenses realized as a result of the homebuyer living close to their place of employment; and

WHEREAS, HMFA and the City will jointly develop a marketing brochure to promote the LWYW program, and said brochures will be distributed to major City employers and all municipal employees; and

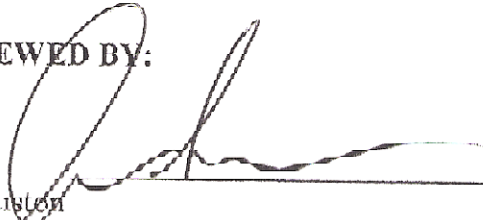
WHEREAS, in order to become a participating municipality, an Agreement is necessary to create an understanding by and between the HMFA and the City of Hoboken regarding the shared responsibilities in administering the LWYW Program; and

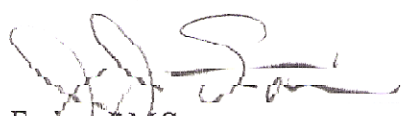
WHEREAS, this Agreement will require the City to contribute up to half the cost of printing and reproducing marketing brochures (approximately \$1,250.00).

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Hoboken that the Mayor, Administrator, Chief Financial Officer, and/or City Clerk are authorized to execute an Agreement with the HMFA for the LWYW program, and that up to half the costs for printing and reproducing marketing brochures will be provided by the City (approximately \$1,250.00).

Date: October 6, 2010

REVIEWED BY:


Arch Liston
Business Administrator


James Fanning, RMC
City Clerk

APPROVED AS TO FORM:


Mark A. Tabakman, Esq.
Corporation Counsel

CITY OF HOBOKEN

Department of Community Development

DAWN ZIMMER
Mayor



BRANDY FORBES
Director

MEMORANDUM

DATE: September 29, 2010
TO: Hoboken City Council
CC: Dawn Zimmer, Mayor
Arch Landon, Business Administrator
Mark A. Tabakin, Corporation Counsel
FROM: Brandy Forbes, Community Development Director
RE: NJ Housing and Mortgage Finance Agency's Live Where You Work Program

The Planning, Zoning and Economic Development Subcommittee met last week to discuss the possibility of partnering with NJ Housing and Mortgage Finance Agency (NJHMFA) on their Live Where You Work Program.

NJHMFA created the New Jersey Live Where You Work (LWYW) program in order to increase homeownership and enhance housing affordability opportunities within partner municipalities. The LWYW program offers home-buying incentives to persons employed within participating municipalities. Additionally, LWYW encourages the use of public transit and other forms of non-auto transportation for commuting to work, in furtherance of smart growth planning principles.

The home-buying incentives offered by HMFA include: (1) down payment and closing cost assistance within Smart Growth Areas under the Agency's Smart Start Program to eligible borrowers as defined in the LWYW Program Guidelines; and (2) expanded housing and debt ratios for homebuyers in underwriting the mortgage loan to factor in the reduction in travel expenses realized as a result of the homebuyer living close to their place of employment.

To partner with NJHMFA with this program, the City has to commit to pay for ½ the cost of marketing brochures (approximately \$1,250) and enter into a Memorandum of Understanding (MOU) regarding the promotion of the program. The draft resolution and MOU are attached.

The subcommittee is in support of the City becoming a partner in this program, as it will allow qualified individuals the opportunity to affordably live where they work. Edward Collins from NJHMFA has agreed to come to the City Council meeting on October 6, 2010 to answer any questions the City Council has regarding this program.

**AGREEMENT BETWEEN
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
AND CITY OF HOBOKEN FOR
THE LIVE WHERE YOU WORK PROGRAM**

This Agreement is made on this _____ day of _____, by and between CITY OF HOBOKEN ("municipality") and the New Jersey Housing and Mortgage Finance Agency ("HMFA"), a body corporate and politic and an instrumentality exercising public and essential governmental functions of the State of New Jersey, created pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended, N.J.S.A. 55:14K-1 et seq. (the "Act"), having with a place of business at 637 South Clinton Avenue, Trenton, New Jersey.

Purpose

The purpose of this Agreement is to create an understanding by and between HMFA and the municipality regarding the shared responsibilities in administering HMFA's Live Where You Work (LWYW) Program.

Background

HMFA created the LWYW program in order to increase homeownership and enhance housing affordability opportunities within partner municipalities. The LWYW program offers homebuying incentives to persons employed within participating municipalities. Additionally, LWYW encourages the use of public transit and other forms of non-auto transportation for commuting to work, in furtherance of smart growth planning principles.

LWYW is a partnership between HMFA and participating municipalities. HMFA is responsible for providing enhanced financing benefits to eligible homebuyers as defined in the LWYW Fact Sheet, (see Attachment A) which the Agency may amend. Municipalities are responsible for marketing LWYW to persons employed within their municipal boundaries.

The financing benefits from HMFA include: (1) down payment and closing cost assistance under the Agency's Smart Start Program to eligible borrowers as defined in the LWYW Program Guidelines; and (2) expanded housing and debt ratios for homebuyers in underwriting the mortgage loan to factor in the reduction in travel expenses realized as a result of the homebuyer living close to their place of employment.

Understanding

1. RESPONSIBILITIES OF THE MUNICIPALITY

- a. The municipality shall create an Outreach and Distribution Plan ("The Plan"). The Plan will, at a minimum, identify the top ten employment centers in the municipality and schedule outreach meetings with executive and human resource managers to market the program. The Plan shall provide a strategy for

approaching the local media network (radio or television) through which the municipality can make public service announcements about the Program.

- b. The municipality shall approve the final marketing brochure prior to public release. The municipality shall provide program brochures for distribution to employers and distribute them to all municipal employees.
- c. The municipality shall contribute up to half the cost of printing and reproducing the brochure (up to approximately \$3000).
- d. The municipality shall describe the LWYW program on their municipal website. The LWYW web page must employ a short domain name that can be referenced easily from the LWYW brochure.
- e. The municipality shall participate in at least one public relations event for the Program.
- f. The municipality shall coordinate one public housing fair, which includes arranging for a location, providing necessary staff support, and promoting the event through local channels.
- g. The municipality is encouraged to identify further incentives for homebuyers in addition to the benefits offered through the LWYW program. The incentive may come from a third party, such as a local lender who serves as the originator of HMFA mortgage. For example, the lender could waive the application fee or provide direct closing cost/downpayment assistance. Other examples might include gifts (bicycles, transit passes, local event or museum passes, etc.), credit counseling or discounts to appliance stores.

Third party partners will not be mentioned by name, logo, or website on the HMFA LWYW website or brochure. Instead, consumers will be encouraged to visit their municipality's website to learn about further incentives which are exclusive to their municipality. Municipalities are encouraged to promote their third party partnerships on their website.

- h. In addition, the municipality is encouraged to provide some quantifiable incentive to mortgage applicants who do not qualify for the HMFA financing. The incentive may come from a third party, such as a local lender who serves as the originator of HMFA mortgages and offers an alternative loan product for households not eligible for HMFA mortgages.

Third party partners will not be mentioned by name, logo, or website on the HMFA LWYW website or brochure. Instead, consumers will be encouraged to visit their municipality's website to learn about further incentives which are exclusive to their municipality. Municipalities are encouraged to promote their third party partnerships on their website.

2. RESPONSIBILITIES OF HMFA

- a. HMFA shall design a tri-fold marketing brochure and reproduce the necessary number of brochures, up to 25,000, for the Program.
- b. HMFA shall develop a custom website for LWYW that will provide information about the program in general, as well as specific pages for each participating municipality; participating municipalities will be able to link directly to their specific page.
- c. HMFA shall coordinate and manage one public relations event.
- d. HMFA shall assist the municipality in planning the housing fair.
- e. HMFA shall approve the municipal Outreach and Distribution Plan.
- f. HMFA shall assist the municipality with identifying appropriate municipal incentives for non-HMFA eligible applicants. HMFA shall approve the municipal incentive.

3. TERMS OF MEMORANDUM OF UNDERSTANDING

Unless terminated earlier in accordance with provision 4 hereof, this Agreement shall remain in full force until three (3) years from the execution of this Agreement.

4. EARLY TERMINATION

Termination Upon Notice. The municipality or HMFA may terminate this Agreement upon 60 calendar days advance notice to the parties. If the Agreement is terminated under this section, the municipality and HMFA shall complete all unfinished and ongoing obligations under the Agreement.

Reduction or Termination Due to Fiscal Constraints. Anything to the contrary in this Agreement notwithstanding, the parties agree that their ability to honor the terms and conditions of this Agreement is contingent upon the availability of HMFA financing to support the mortgages, down payment and closing cost assistance, and funds to support operating and marketing costs. If, during the term of this Agreement, funds are unavailable, both parties reserve the right, upon Notice to the other party, to commensurately reduce the extent of their obligations under this Agreement or to terminate the Agreement.

5. ADDITIONAL PROVISIONS

Application of New Jersey Law. This Agreement shall be governed, construed, and interpreted in accordance with laws of the State of New Jersey. If any legal action should be filed by any party against any the other in connection with this Agreement

and/or other Loan Documents, the venue and forum for such action shall be the New Jersey Superior Court, Mercer County.

Limitation of Liability. It is mutually agreed by the Municipality and the Agency that the Agency and its members, directors, officers, agents, servants, employees, and attorneys shall not be liable for any action performed under this Agreement, and that the Municipality shall hold them harmless from any claim or suit of whatever nature.

Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof). While this statute is not applicable by its terms to claims arising under contracts with the Agency, the Municipality agrees that it shall be applicable to claims arising under this Agreement. It is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

Exercise of Rights. A failure or a delay on the part of the municipality or HMFA in exercising any right, power or privilege under this Agreement shall not waive that right, power or privilege.

Moreover, a single or partial exercise shall not prevent another or further exercise of that or any other right, power privilege

6. AGREEMENT SIGNATURES AND DATES. The terms of this Agreement have been read and understood by the persons whose signatures appear below. The parties agree to comply with the terms and conditions of the Agreement set forth on the preceding pages in paragraphs 1 through 6, and any related Annex(es). This Agreement contains within its four corners the entire agreement of parties and oral evidence tending to contradict, amend or supplement the Agreement is inadmissible; the parties having made the Agreement as the final and complete expression of their understanding.

CITY OF HOBOKEN

BY: _____

TITLE: _____ DATE: _____

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

BY: _____

TITLE: _____ DATE: _____

Agreement Effective Date: _____

Agreement Expiration Date: _____