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NHA RECEIVES STRONG S&P RATING

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NEWARK, NJ – The NHA received its first assessment by Standard and Poor's, and even in a climate of uncertainty, the outlook is good. The Authority received an issuer credit rating (ICR) of A-minus and was regarded as stable by the internationally recognized ratings agency. The favorable ICR was the result of the expectation of federal government support, strong leverage ratios due to low debt obligations, and what they viewed as a "strong essentiality" for NHA housing as shown through a waiting list of over 12,000 applicants.

The report indicates that much of the rating reflects an improvement in management capacity, "as evidenced by a trend of improvement in overall operational performance, portfolio quality, and financial management", which S&P expects to continue. Additionally, the improvement in financial management and reporting which resulted from thorough planning and budgeting further impacted S&P's positive analysis of the NHA.

Consequently, S&P considers that the changes made to the NHA's operational and financial structure as well as improvements to the physical condition of its properties will yield positive financial and operational progress in both the near and long term. "S&P views NHA as demonstrating a strong ability to leverage external community development resources and establish partnerships in its efforts to revitalize its communities." They praised the housing authority's efforts in redevelopment, but also cautioned that the work must continue in order to maintain the favorable rating.

The ratings agency characterizes the need for affordable housing in Newark as very strong, of which NHA is a crucial supplier. Because of a direct strategic plan and clearly defined goals, the NHA is well-positioned to maximize its role in Newark. "In our opinion, the guiding principals [sic] provide a clear and exhaustive path for the agency to pursue."

The Newark Housing Authority is the largest public housing authority in New Jersey and the eleventh largest in the country, charged with providing low-income residents in Newark with decent, safe and affordable housing. NHA manages approximately 10,000 housing units throughout Newark, including townhouses, family developments and housing for the elderly and disabled. Its mission is to invest in families by building and maintaining affordable housing to encourage economic independence and healthy communities.

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