



AGENDA

CITY OF CAMDEN
CITY COUNCIL SPECIAL MEETING

August 6th, 2024 – 4:30 p.m.

Honorable Angel Fuentes, Council President
Honorable Sheila Davis, Vice-President
Honorable Chris Collins
Honorable Nohemi Soria-Perez
Honorable Jannette Ramos
Honorable Fatio Leyba-Martinez
Honorable Arthur Barclay

Honorable Victor Carstarphen, Mayor

Daniel S. Blackburn, City Attorney
Howard McCoach, Counsel to Council

Luis Pastoriza, Municipal Clerk



CITY COUNCIL AGENDA

SPECIAL MEETING

AUGUST 6TH, 2024 – 4:30 P.M.
CITY COUNCIL CHAMBER

CALL TO ORDER

FLAG SALUTE

ROLL CALL

STATEMENT OF COMPLIANCE

NOTICE OF MEETING

PUBLIC COMMENT

***Public comment for resolutions and/or any other concerns
(Limited to 3 continuous minutes)**

RESOLUTIONS

Office of City Council

1. RESOLUTION AUTHORIZING A TAX ABATEMENT FOR HADDON AVE, LLC IN PARTNERSHIP WITH PARKSIDE CDC FOR PROPERTY LOCATED AT 1301 HADDON AVENUE

ADJOURNMENT

Please note summary of Public Decorum rules below.

Rule XVII: Decorum

Any person who shall disturb the peace of the Council, make impertinent or slanderous remarks or conduct himself in a boisterous manner while addressing the Council shall be forthwith barred by the presiding officer from further audience before the Council, except that if the speaker shall submit to proper order under these rules, permission for him to continue may be granted by a majority vote of the Council.

City Council meetings shall be conducted in a courteous manner. Citizens and Council members will be allowed to state their positions in an atmosphere free of slander, threats of violence or the use of Council as

a forum for politics. Sufficient warnings may be given by the Chair at any time during the remarks and, in the event that any individual shall violate the rules of decorum heretofore set forth, the Chairperson may then cut off comment or debate. At the discretion of the Chairperson, light signals may be used to display the commencement of the time for speaking and a warning light may be flashed to show that the appropriate time has passed. A red light will signal that there is no longer time.

DB
08-06-24

R-1

**RESOLUTION AUTHORIZING A TAX ABATEMENT FOR HADDON AVE, LLC IN
PARTNERSHIP WITH PARKSIDE CDC FOR PROPERTY LOCATED AT
1301 HADDON AVENUE**

WHEREAS, Haddon Avenue Apartments, LLC, (hereinafter referred to as the "Sponsor") an affiliate of Conifer Realty, LLC and in partnership with Parkside CDC proposes to construct fifty-one (51) affordable rental units for families with commercial and community space on the first floor (hereinafter referred to as the "Project"), which improvements will be financed pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1 et seq., and all applicable guidelines (the foregoing hereinafter referred to as the "HMFA Requirements") within the City on a site identified as Block 1322, Lot 55 on the Official Assessment Map of the City of Camden, Camden County, New Jersey, commonly known as 1301 Haddon Avenue; and

WHEREAS, the Project will be subject to HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, pursuant to HMFA Requirements, the governing body of the City hereby has determined that there is a need for this housing project in the City; and

WHEREAS, the Sponsor has presented to the City Council a revenue projection for the Project which sets forth the anticipated revenue to be received by the Sponsor from the operation of the Project as estimated by the Sponsor and the Agency, a copy of which is attached hereto and made a part hereof as Exhibit A; now, therefore

BE IT RESOLVED by the City Council (the "Council") of the City of Camden, in the County of Camden, and State of New Jersey, that:

- (1) The Council finds and determines that the proposed Project will meet or meets an existing housing need;
- (2) The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Requirements with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to the Sponsor, which shall construct, own and operate the Project; and
- (3) The Council does hereby adopt the within Resolution with the further intent and purpose that from the date of execution of the Agency mortgage, the proposed Project, including both the land and improvements thereon, will be exempt from real property taxation as provided in HMFA Requirements, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the municipality in such amounts and manner set forth in the Agreement for Payments in Lieu of Taxes attached hereto as Exhibit "B"; and
- (4) The Council hereby authorizes and directs the Mayor of the City of Camden to execute, on behalf of the City, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto as Exhibit "B"; and

BE IT FURTHER RESOLVED, that pursuant to N.J.S.A. 52:27BBB-23, a true copy of this Resolution shall be forwarded to the State Commissioner of Community Affairs, who shall have ten (10) days from the receipt thereof to veto this Resolution. All notices of veto shall be filed in the Office of the Municipal Clerk.

Date: August 6, 2024

The above has been reviewed
and approved as to form.



DANIEL S. BLACKBURN
City Attorney

ANGEL FUENTES
President, City Council

ATTEST: _____
LUIS PASTORIZA
Municipal Clerk

Small Equip. & Tools	500
Janit. Sup. & Tools	500
HVAC Supplies	2,000
Misc. Maint. Suppl.	1,000
Other:	
TOTAL \$	24,800

V. UTILITY EXPENSE	
Water Charges	14,000
Sewer Charges	14,000
Electricity	8,500
Gas	
Fuel	
Less Solar Energy Savings	
TOTAL \$	36,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	698,064	
Less Vacancy	(-)	34,903	
Less Utilities (if applicable)	(-)	36,500	
Gross Sheltered Rents	\$	626,661	
x Rate	x	6.28 %	
Rent Estate Taxes	\$	39,354	

OR ACTUAL TAXES IF NO P.I.L.O.T.

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	2,850,000	HMFA #	
Mortgage Interest Rate	7.25 %	Prepared by:	
Term (years)	32 Yrs. The Interest rate has been	Reviewed by:	
Amortization (Y,S,M)	Y reduced by: [] basis points	Date	
FMR Area	Camden as the Cost-of-Issuance is being paid out-of-pocket by the sponsor.	Date of Income Limits Chart Used:	06/01/24
		Date of Utility Chart Used:	11/01/23

ANTICIPATED GROSS RENTS:

No. of Bedrooms	No. of Units	Target ** Occupancy	Gross Rent	Allowance for Tenant Paid Utilities***	Net Rent	Monthly	Annual	Square Feet of Individual Units
1	3	Special Needs	401	148	253	759	9,108	700
1	2	47.5% AMI	1,021	148	873	1,746	20,952	700
1	5	57.5% AMI	1,236	148	1,088	5,440	65,280	700
2	1	Special Needs	430	191	239	239	2,868	950
2	10	47.5% AMI	1,226	191	1,035	10,350	124,200	950
2	19	57.5% AMI	1,484	191	1,293	24,567	294,804	950
3	1	Special Needs	516	235	281	281	3,372	1,000
3	10	57.5% AMI	1,714	235	1,479	14,790	177,480	1,000
TOTALS			51			58,172		

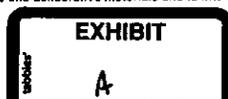
Anticipated Annual Gross Rents **698,064**

- * Indicate on a separate line which apartment is for the Superintendent. If it's rent-free, put \$0 in the Rent column.
- ** Indicate "Low", "Mod" or "Mkt" AND the percentage of median income. **NOTE: The percentage listed in this section is merely the percentage of the Gross Rent as to the applicable Area Median Income.**
 - Low Income - 50% or less of median income
 - Moderate Income - 50% to 80% of median income
 - Market Income - 80%+ of median income
- *** **NOTE: For Underwriting Purposes Only, Target Occupancy is based on (1) person per Bedroom** Where tenants pay their own utilities, a "utility allowance" must be subtracted from the maximum chargeable rent when determining their rental charge.

EQUIPMENT AND SERVICES

(a) Equipment:	(b) Services:	Gas, Electric or Oil	Individual or Master Meter	Paid by Tenant
Ranges	Heat	Electric	X	X
Refrigerator	Hot Water	Electric	X	X

This memorandum contains advisory, consultative and deliberative materials and is intended for the person(s) named as recipient(s). REV. 3/27/19



Air Conditioning	<u> X </u>
Laundry Facilities	<u> X </u>
Disposal	<u> </u>
Dishwasher	<u> X </u>
Carpet	<u> </u>
Drapes	<u> </u>
Swimming Pool	<u> </u>
Tennis Court	<u> </u>
Other:	<u> </u>

Cooking	<u> X </u>	<u> X </u>
Air Conditioning	<u> X </u>	<u> X </u>
Household Electric	<u> X </u>	<u> X </u>
Water	<u> </u>	<u> </u>
Sewer	<u> </u>	<u> </u>
Parking	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart X Utility Company Estimates
 HUD Utility Schedule Model Energy Consumption Model

COMMERCIAL SPACE

(include all utility costs associated with the commercial space in your description)
 Utility costs will be passed onto tenant (triple net lease)

SCHEDULE 10-E : SUMMARY OF ANTICIPATED ANNUAL INCOME AND EXPENSES

Borrowing Entity: <u>Haddon Ave Apartments, LLC</u>	HMFA# <u> </u>	
Dev. Name: <u>1301 Haddon Ave</u>	Prepared by: <u> </u>	<u> </u>
	Reviewed by: <u> </u>	Date: <u> </u>
	(Director of Asset Management - Expenses Only)	
RENTAL INCOME		
Apartment Rents	\$ <u>698,064</u>	
Vacancy Loss (<u> 5.00 </u> %)	<u>34,903</u>	
NET APT. RENTS	<u>663,161</u>	
Commercial Income <u> \$20 </u> per Sq. Ft.	\$ <u>50,000</u>	
Garage & Parking <u> </u> per Sq. Ft.	<u> </u>	
Commercial Vacancy <u> 10 </u> %	<u>5,000</u>	
NET COMMERCIAL RENTALS	<u>45,000</u>	
TOTAL RENTAL INCOME	\$ <u>708,161</u>	
OTHER INCOME		
Laundry Machines	\$ <u>9,180</u>	
Other	<u> </u>	
TOTAL OTHER INCOME	\$ <u>9,180</u>	
TOTAL REVENUE	\$ <u>717,341</u>	
EXPENSES		
Administrative (Schedule I)	\$ <u>46,391</u>	
Salaries (Schedule II)	<u>121,600</u>	
Maint. & Repairs (Schedule III)	<u>24,800</u>	
Maint. Contracts (Schedule IV)	<u>30,550</u>	
Utilities (Schedule V)	<u>36,500</u>	
Management Fee <u> 0.12 </u> per unit	<u>71</u>	* Should be between \$57 & \$73 per unit per month
P.L.O.T. on Commercial Income(<u> </u> %)	<u> </u>	
Real Estate Taxes (Schedule VI)	<u>39,354</u>	
Insurance <u> \$2,200 </u> per Unit	<u>112,200</u>	2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement <u> 440.00 </u> per unit	<u>22,440</u>	
TOTAL EXPENSES	\$ <u>433,908</u>	
NET OPERATING INCOME	\$ <u>283,432</u>	
DEBT SERVICE		
1. Principal and Interest	\$ <u>231,249</u>	
2. Mortg. & Bond Serv. Fee <u> 0.50 </u> %	<u>14,250</u>	
3. MIP <u> </u> %	<u> </u>	
4. Debt Service on Other Mortgage Loans	\$ <u> </u>	
AGENCY DEBT SERVICE	\$ <u>245,499</u>	
DEBT SERVICE NOT TO BE CONSIDERED IN USR	\$ <u> </u>	
TOTAL DEBT SERVICE	\$ <u>245,499</u>	
NET INCOME	\$ <u>37,933</u>	
Less Return on Equity (<u> </u> % on \$ <u>22,739,104</u>)	<u> </u>	\$ <u> </u>
Project Profit/(Loss)	\$ <u>37,933</u>	
DEBT SERVICE RATIO CALCULATION :		

DSR - NET OPERATING INCOME - 1,154,511
AGENCY DEBT SERVICE

New Mortgage
Amount

2,850,000

AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT, made this _____ day of _____, 2024, between Haddon Avenue Apartments, LLC, having an office at 1200 Howard Blvd., Suite 250, Mount Laurel, New Jersey 08054 (hereinafter the "Sponsor") and the City of Camden, a municipal corporation in the County of Camden and State of New Jersey (hereinafter the "Municipality").

WITNESSETH

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

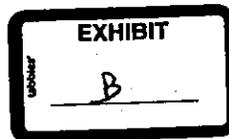
1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A. 55:14K-1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Council of the Municipality dated _____, 2024, (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The project is or will be situated on that parcel of land designated as Block 1322, Lot 55 as shown on the Official Assessment Map of the City of Camden, and more commonly referred to as 1301 Haddon Avenue, Camden, New Jersey and will be comprised of fifty-one (51) affordable rental units (the "Project").

3. As of the date the Sponsor executes a first mortgage upon the Project in favor of the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which, according to the HMFA Law, may not exceed fifty (50) years.

4. (a) For projects receiving construction and permanent financing from the Agency, the Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in such amount as follows:

- (1) From the date of the execution of the Agency Mortgage until the date of Substantial Completion of the Project, the Sponsor shall make payment to the Municipality in the amount equal to the current real estate taxes (pursuant to the HMFA Law, the annual amount may not exceed the amount of taxes due on the property for the year preceding the recording of the Agency Mortgage). As used herein, "Substantial Completion" means the date upon which the Municipality issues the Certificate of Occupancy for the seventy-two units in the Project.



(2) From the date of Substantial Completion of the Project and for the remaining term of the NJHMFA Mortgage, the Sponsor shall make payment to the Municipality in an amount equal to five (5%) percent of Project Revenues.

(b) For Projects receiving permanent financing only from the Agency, the Sponsor shall make payment to the Municipality in an amount equal to five (5%) percent of Project Revenues from the date of the Agency Mortgage and for the remaining term of the Agency Mortgage.

(c) As used herein, "Project Revenues" means the total annual gross rental or carrying charge or other income of the Sponsor from the Project less the costs of utilities furnished by the Project, which shall include the costs of gas, electricity, heating fuel, water supplied, and sewage charges, and less vacancies if any. Project Revenues shall not include any rental subsidy contributions received from any federal or state program.

(d) The amount of payment in lieu of taxes to be paid pursuant to paragraphs (a) or (b) and (c) above is calculated in Exhibit "A" attached hereto. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit "A" and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of taxes to be paid by the Sponsor shall be determined pursuant to Section 5 below.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality and shall be based upon Project Revenues of the previous quarter. No later than three (3) months following the end of the first fiscal year of operation after (i) the date of Substantial Completion (for projects receiving construction and permanent financing) or (ii) the date of the Agency Mortgage (for projects receiving permanent financing only) and each year thereafter that this Agreement remains in effect, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth the Project Revenues and the total payments in lieu of taxes due to the Municipality calculated at 5.0 percent of Project Revenues as set forth in the Audit (the "Audit Amount"). The Sponsor simultaneously shall pay the difference, if any, between (i) the Audit Amount and (ii) payments made by the Sponsor to the Municipality for the preceding fiscal year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor.

(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9(a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor's successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to c/o Conifer, 1200 Howard Blvd., Suite 250, Mount Laurel, NJ 08054 or to such other address as the Sponsor may hereafter designate in writing and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the City Clerk, 520 Market Street, P.O. Box 95120, Camden, NJ 08101-5120 or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor

to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, P.O. Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of the Agreement by each party hereto.

WITNESS:

HADDON AVENUE APARTMENTS, LLC

By:

ATTEST:

CITY OF CAMDEN

By:

Name: Luis Pastoriza

Name: Victor Carstarphen

Title: City Clerk

Title: Mayor

Authorized by Resolution

MC-_____ . This Agreement has
been approved as to form:

City Attorney

Apartments at Haddon Avenue
1301 Haddon Avenue, Camden, NJ 08104

Development Overview:

The Apartments at Haddon Avenue is a proposed new construction, mixed-use, affordable multifamily and commercial building located on the intersection of Haddon Avenue and Liberty Street in the City of Camden. The development is a joint venture partnership between Parkside Business & Community in Partnership and Conifer, ("Development Team") to transform a currently vacant block thru lot into a sustainable high-quality development.

Aligned with the initiatives of the Haddon Avenue Neighborhood Preservation Program Action Plan 2022-2026, the proposal creates long term workforce housing opportunities and commercial and store front revitalization while creating both construction and permanent job opportunities for the community. The new building will consist of 51 units affordable to households with incomes at or below 60% AMI earning \$66,960 on-site parking with commercial and community space on the ground floor. The development will offer 10 one-bedroom apartments, 26 two-bedroom apartments and 13 three- bedroom apartments. The units will range in size between 846 and 1,601 gross square feet. Unit amenities will include open floor plans, modern kitchens with Energy-Star appliances and balconies. The proposed development will also highlight a commitment to sustainability. In addition to using recycled and sustainable materials, the development will be designed to achieve Enterprise Green Communities Certification.

The development will include management services and community spaces for the residents for uses such as resident support spaces and a community room with kitchen, which can be used for social gatherings and resident activities. Services including but not limited to health screenings, nutrition programs, benefits assistance, and financial literacy seminars will be available to residents. Five units will be set aside as supportive that will be managed and operated by an independent service provider.

Strategic Location, Neighborhood Impact, Need and Demand

The Apartments at Haddon Avenue is strategically located in the southeast corner of Liberty Street and the Haddon Avenue commercial corridor. The area has experienced significant revitalization surrounded by mature single-family residential neighborhoods to the east and south as well as essential retail amenities to the north and west. The property is strategically located on an established commercial corridor. Existing and upcoming area amenities include the Cooper medical facilities, pharmacies, public schools, public transportation, religious institutions, and diverse retail offerings. Given the large number of income-eligible households in the primary market area the strength of the market area, and limited supply of affordable housing, there is a strong demand. The goal of the proposed development is to address the needs of the community by furthering the socio-economic growth of the neighborhood and creating a cornerstone for future growth.