

Township of Lawrence
County of Mercer

Ordinance No. 2272-17

ORDINANCE AUTHORIZING THE TOWNSHIP OF LAWRENCE TO ENTER INTO A FINANCIAL AGREEMENT UNDER THE LONG TERM TAX EXEMPTION LAW WITH THE SPONSOR OF LAWRENCE PLAZA SENIOR CITIZEN HOUSING PROJECT

WHEREAS, Lawrence Plaza is a 161 unit rental housing project dedicated to low income senior citizen tenants situated on that parcel of land designated as Lot 17, Block 2001 on the Township's Tax Map, more commonly known as 2350 Princeton Pike, Lawrenceville, New Jersey 08648 (the "Project"); and

WHEREAS, the Project was developed in 1978 pursuant to N.J.S.A. 55:16-1 et seq. (the Limited Dividend Housing Corporation Law) and N.J.S.A. 55:14J-1 et seq. (the New Jersey Housing Finance Agency Law of 1967), which statutes subsequently were superseded and replaced by the New Jersey Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq. (the "LTTE Law"); and

WHEREAS, the Project receives rent subsidies from the U.S. Department of Housing and Urban Development, Section 8 Housing Assistance Payments Program, under a Housing Finance and Development Agencies Housing Assistance Payments Contract (Master Section 8 ACC No. NY-1106; Project No. NJ16-H085-011), dated September 30, 1978, as amended December 18, 1979, for a term of forty (40) years into 2018, which is renewable for seven (7) additional terms of five (5) years each (the "HAP Contract"); and

WHEREAS, the Project also receives real estate tax abatement pursuant to a Tax Abatement Agreement dated [REDACTED], to which the Township is a party, which is due to expire in 2020; and

WHEREAS, That's a Lovely Accent You Have Urban Renewal, LLC, an urban renewal entity duly qualified under the LTTE Law (the "Sponsor") is a contract purchaser of the Project with a closing scheduled to occur on or about August [REDACTED], 2017 (the "Closing"); and

WHEREAS, upon and after the Closing, the Sponsor intends to preserve and continue to operate the Project as rental housing for low income senior citizens for a period of not less than twenty (20); and

WHEREAS, the Sponsor has applied for and anticipates approval of an extension of the HAP Contract and/or a new HAP Contract which will extend the federal subsidy of the Project for at least twenty (20) years from the Closing; and

WHEREAS, the LTTE Law (N.J.S.A. 40A:20-13.1) authorizes the Township to extend real estate tax abatement to the Project for a period of time co-terminus with federal subsidies for the Project, in order to secure a continuation of such federal subsidies and/or as a condition thereof, pursuant to a financial agreement complying with the provisions of the LTTE Law; and

WHEREAS, the Project fulfills a vital housing need within the Township, but is not financially feasible as a low income senior rental housing project without the extension of real estate tax abatement by the Township to supplement the aforesaid federal subsidy; and

WHEREAS, in furtherance of its commitment to preserve the Project as low income senior housing, the Sponsor has requested that the Township adopt an ordinance authorizing a new financial agreement under the LTTE Law, in the form appended hereto as Exhibit "A", providing for abatement of real estate taxes on the Project for a period of twenty (20) years commencing upon the Closing; and

WHEREAS, the LTTE Law (N.J.S.A. 40A:20-9) requires that financial agreements entered into pursuant to its terms be approved by a municipal ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF LAWRENCE AS FOLLOWS:

1. **Recitals.** The foregoing recitals are incorporated herein by reference, as if fully set forth herein, and are hereby adopted as findings of fact.

2. **Approval of Financial Agreement.** The proposed financial agreement in the form appended hereto as Exhibit "A" (the "**Financial Agreement**"), is hereby approved. Upon execution and delivery of the Financial Agreement as provided herein, the Project will be exempt from real property taxation as provided in the LTTE Law and the Financial Agreement for a period of twenty (20) years from the Closing, provided that payments in lieu of taxes for municipal services supplied to the Project are made to the Township in such amounts, at such times and in such manner as is set forth in the Financial Agreement, and provided further that the Sponsor complies with all of its other obligations set forth in the Financial Agreement. Council acknowledges that the revenue projections and payments in lieu of taxes set forth in Schedule 1 to the Financial Agreement are only estimates, and that the actual service charges paid by the Sponsor to the Township from time to time and at any time during the term of the Financial Agreement shall be determined pursuant to the provisions of the Financial Agreement.

3. **Execution of Financial Agreement.** The Mayor of the Township of Lawrence is hereby authorized and directed, upon Closing of the purchase of the Project by the Sponsor and satisfaction of any other legal conditions precedent to the execution and delivery by the Township of the Financial Agreement, to date, execute and deliver the Financial Agreement in substantially the form appended hereto as Exhibit "A", together with such non-substantive changes, insertions and deletions thereto as the Mayor, after consultation with Township counsel, deems in the Mayor's sole discretion to be necessary or desirable, which execution and delivery thereof shall conclusively evidence the Mayor's consent to any such changes, insertions or deletions thereto.

4. **Attestation and Sealing of the Financial Agreement.** The Clerk of the Township of Lawrence is hereby authorized and directed, upon the execution of the Financial Agreement by the Mayor, to attest to the signature of the Mayor upon such document and thereupon to affix the corporate seal of the Township upon such document.

5. **Implementation of the Financial Agreement.** Upon execution and delivery of the Financial Agreement by the Township as provided herein, the Mayor and Township Administrator,

together with necessary staff and professionals of the Township, are hereby authorized and directed to perform such actions as are necessary or desirable in relation to the implementation of the Financial Agreement, performance of the parties' respective obligations thereunder and/or enforcement of the Township's rights and remedies thereunder and under applicable laws.

6. **Severability.** If any paragraph or provision of this Ordinance shall be adjudicated to be invalid or unenforceable, such determination shall not, to the extent severable, affect any other paragraph or provision of this Ordinance, which shall otherwise remain in full force and effect.

7. **Repealer.** All ordinances and provisions thereof inconsistent or conflicting with the provisions of this Ordinance be and the same hereby are repealed to the extent of such conflict or inconsistency.

8. **Effective Date.** This Ordinance shall become effective twenty (20) days after final adoption and publication thereof in accordance with law.

Adopted: July 18, 2017

Record of Vote

Council	Aye	Nay	Present	Absent	Abstain	Move	Second
Mr. Bobbitt	X						X
Mr. Kownacki	X						
Ms. Lewis	X						
Mr. Powers	X					x	
Mayor Maffei	X						