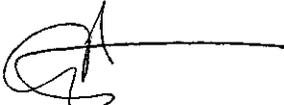


MASON, GRIFFIN & PIERSON

A PROFESSIONAL CORPORATION
COUNSELLORS AT LAW

MEMORANDUM

To: Mayor and Council of Princeton
via e-mail & hand-delivery

From: Edwin W. Schmierer, Esq. 
Princeton Attorney

Date: April 12, 2013

Re: **Princeton Affordable Housing Program: Condominium Assistance Loan for Block 802, Lot 11304, Princeton Township Tax Map**

In March 2012 in an income-eligible household purchased the above-referenced affordable housing unit within the Griggs Farm community. The buyer did so with the assistance of the Princeton Down Payment Loan Program in the amount of three thousand two hundred ninety-two and 30/100 (\$3,292.30) dollars.

In April 2013, the core of the hot water heater in the unit gave way and substantially damaged the carpeting/flooring in the unit. The affordable owner was required to replace the hot water heater at a cost of nine hundred (\$900.00) dollars and replace carpeting at a cost of one thousand nine hundred twenty-seven (\$1,927.00) dollars. To do so has presented a financial hardship.

The Princeton Housing Board discussed this matter at its meeting on April 9, 2013. Since the purchaser of this property was initially entitled up to five thousand (\$5,000.00) dollars of assistance to buy the affordable housing unit, and only three thousand two hundred ninety-two and 30/100 (\$3,292.30) dollars was used for down payment assistance, the Board voted unanimously to recommend to the Princeton Council an additional assistance loan for the balance up to five thousand (\$5,000.00) dollars or one thousand seven hundred seven and 70/100 (\$1,707.70) dollars. This loan, like the down payment assistance loan, would be repaid to Princeton at the time the property is sold together with interest thereon at 2.4%.

If the Council concurs in the Housing Board's recommendation, I have prepared and attach hereto a proposed Resolution for your consideration at your meeting on April 22, 2013.

EWS:jv
attach.

cc: Robert W. Bruschi, Administrator (w/attach.)
Kathy Monzo, Assistant Administrator (w/attach.)
Linda S. McDermott, Clerk (w/attach.)
Robert V. Kiser, P.E., Princeton Engineer (w/attach.)
Christy Peacock, Affordable Housing Coordinator (w/attach.)

COUNTY OF MERCER

PRINCETON

STATE OF NEW JERSEY

RESOLUTION

WHEREAS, certain real property located within the Griggs Farm community and designated as Block 802, Lot 11304 on the Princeton Township Tax Map is an affordable housing unit and a part of the Princeton affordable housing inventory; and

WHEREAS, in April 2013, this property sustained damage as a result of a faulty hot water heater; and

WHEREAS, said damage has to be repaired in order to have the unit remain habitable; and

WHEREAS, the Princeton Housing Board reviewed a request for hardship loan assistance to provide funding towards a portion of the cost of the repair; and

WHEREAS, the owner of said unit has provided documentation to Princeton indicating that she has expended two thousand eight hundred twenty-seven (\$2,827.00) dollars in repairing the damage and replacing the hot water heater; and

WHEREAS, said owner previously received from the Township a down payment assistance loan in the amount of three thousand two hundred ninety-two and 30/100 (\$3,292.30) dollars when she purchased the above-referenced unit; and

WHEREAS, the Princeton Affordable Housing Assistance Loan Program for affordable purchasers permits borrowing up to five thousand (\$5,000.00) dollars; and

WHEREAS, said owner has requested and the Housing Board has recommended approval of an additional assistance loan in the amount of one thousand seven hundred seven and 70/100 (\$1,707.70) dollars so that the total assistance loans made available to this purchaser will be five thousand (\$5,000.00) dollars; and

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WHEREAS, the total loan balance will be repaid to Princeton by the purchaser at the time the property is sold together with interest thereon at the rate of 2.4%.

NOW, THEREFORE, BE IT RESOLVED by the Council of Princeton as follows:

1. Princeton hereby agrees to an additional affordable housing assistance loan to the owner of Block 802, Lot 11304 in the amount of one thousand seven hundred seven and 70/100 (\$1,707.70) dollars. Said borrower shall be required to execute a Note and Mortgage to guarantee repayment on a deferred basis pursuant to the Princeton Affordable Housing Assistance Loan Program guidelines. Since the owner has already paid for the hot water heater replacement and carpet damage, the Princeton Finance Officer is hereby authorized and directed to make a check in the amount of one thousand seven hundred seven and 70/100 (\$1,707.70) dollars payable to the owner of said property.
2. A certified true copy of this Resolution shall be furnished to the Secretary, Princeton Housing Board, and the Princeton Municipal Housing Liaison upon its adoption.

CERTIFICATION

I, Linda S. McDermott, Clerk of Princeton, do hereby certify that the above Resolution was adopted by the Princeton Council at its regular meeting held on the 22nd day of April, 2013.

Linda S. McDermott, Clerk
Princeton