



RESOLUTION 21-365

Resolution of the Municipality of Princeton, in the County of Mercer, New Jersey Authorizing the Execution of a First Amendment to the Redevelopment Agreement by and between the Municipality and Princeton LIHTC Urban Renewal, LLC in Connection with the Development of a Portion of Block 5502, Lot 4, Commonly Know as 100-101 Thanet Road

WHEREAS, the Local Redevelopment and Housing Law, *N.J.S.A. 40A:12A-1 et seq.*, as amended and supplemented from time to time (the “**Redevelopment Law**”), provides a process for municipalities to participate in the redevelopment of areas in need of redevelopment; and

WHEREAS, on December 18, 2019, the Council (the “**Council**”) of the Municipality of Princeton (the “**Municipality**”) adopted Resolution No. 2019-400, designating certain property identified as Block 5502, Lot 4 on the Municipality’s tax maps and commonly known as the “**Thanet Road Redevelopment Area**” (the “**Redevelopment Area**”) as a non-condemnation “area in need of redevelopment” under the Redevelopment Law; and

WHEREAS, by Ordinance No. 2020-7, the Council adopted a redevelopment plan for the Redevelopment Area entitled the “**Thanet Road Redevelopment Plan**,” dated January 29, 2020 (the “**Redevelopment Plan**”); and

WHEREAS, the Municipality previously identified a portion of property identified as Block 5502, Lot 4 on the Municipality’s tax maps (the “**Mother Parcel**”) as appropriate for the development of a one hundred percent (100%) age restricted, affordable housing development; and

WHEREAS, on March 9, 2020, the Municipality entered into a redevelopment agreement (the “**AVB Redevelopment Agreement**”) with AvalonBay Communities, Inc. (“**AVB**”), pursuant to which AVB agreed, among other things, to subdivide the Mother Parcel to create at least two (2) separate parcels, hereinafter: (i) “**Parcel A**”; and (ii) “**Parcel B**”; and

WHEREAS, under the AVB Redevelopment Agreement, AVB will acquire the Mother Parcel from the current owner thereof and, simultaneously or promptly thereafter, convey Parcel B to The Municipality for the purposes of having constructed, on Parcel B, a one hundred percent (100%) affordable housing development consisting of eighty (80) residential units, all of which will be reserved for occupancy by very low income, low income and/or moderate income households with all such residential units being reserved for occupancy by individuals fifty-five (55) years or older, as defined by the Housing for Older Persons Act of 1995, 42 U.S.C. § 3601, et al., and interpretive regulations, 24 C.F.R. §§ 100.300 - 100.308 (the “**Project**”); and

WHEREAS, the Municipality and Princeton LIHTC Urban Renewal, LLC (“**PIRHL**”) executed that certain Affordable Housing Agreement dated December 18, 2019 (the “**Original**”

Affordable Housing Agreement”), as amended by that certain Addendum to Affordable Housing Agreement dated March 9, 2020 (the “**First Amendment to Affordable Housing Agreement**”), and as further amended by that certain Second Amendment to Affordable Housing Agreement dated May 24, 2021 (the “**Second Amendment to Affordable Housing Agreement**”), and as further amended by that certain Third Amendment to Affordable Housing Agreement dated November 18, 2021 (the “**Third Amendment to Affordable Housing Agreement**” and together with the First Amendment to Affordable Housing Agreement and the Second Amendment to Affordable Housing Agreement, collectively, the “**Affordable Housing Agreement**”); and

WHEREAS, on February 19, 2020, the Council adopted Resolution No. 20-73 designating PIRHL as the “redeveloper” for the Redevelopment Area; and

WHEREAS, on September 24, 2020, PIRHL and the Municipality entered into a redevelopment agreement (the “**Redevelopment Agreement**”), pursuant to which PIRHL agreed to purchase and redevelop Parcel B by constructing the Project thereon; and

WHEREAS, the Municipality and PIRHL entered into an Agreement For Payments in Lieu of Taxes dated March 13, 2020, as amended by that certain Amended and Restated Agreement for Payment in Lieu of Taxes dated May 24, 2021 (collectively, the “**PILOT Agreement**”) for the Project pursuant to New Jersey Housing and Mortgage Financing Agency Law of 1983, N.J.S.A. 55:14K-1 et seq.; and

WHEREAS, the Redevelopment Agreement and the Original Affordable Housing Agreement contemplated the Municipality acquiring Parcel B from AVB, and then conveying Parcel B by donation to PIRHL, since receiving Parcel B by donation from the Municipality (the “**Parcel B Donation**”) was a required component necessary for PIRHL’s financing of the Project; and

WHEREAS, the Parcel B Donation is no longer necessary for PIRHL’s financing of the Project and, thus, the Municipality, PIRHL and AVB amended the AVB Redevelopment Agreement and Affordable Housing Agreement, respectively, to provide that AVB will convey Parcel B directly to PIRHL without first conveying it to the Municipality; and

WHEREAS, as a result, the reverter provision in Section 4.6 of the Affordable Housing Agreement is no longer applicable; and

WHEREAS, PIRHL is in the process of obtaining a construction loan for the Project; and

WHEREAS, as a condition of issuing a construction loan to PIRHL, PIRHL’s lender has requested that certain mortgage protection provisions (the “**Mortgage Provisions**”) be added to the Original Redevelopment Agreement; and

WHEREAS, the Municipality has reviewed the Mortgage Provisions and finds them to be reasonable; and

WHEREAS, the Municipality and PIRHL desire to enter into a First Amendment to the Redevelopment Agreement (the “**First Amendment**”) to include the Mortgage Provisions in the Redevelopment Agreement; and

WHEREAS, the Affordable Housing Agreement and PILOT Agreement address many of the necessary terms and conditions between the Municipality and PIRHL for the development of the Project and, except with respect to the aforementioned reverter provision, nothing in this First Amendment is intended to alter or supersede the terms of the Affordable Housing Agreement and/or PILOT Agreement; and

WHEREAS, in order to effectuate the Redevelopment Plan, the Project and the redevelopment of the Redevelopment Area, and for the purposes of memorializing the above, the Municipality desires to authorize the execution of the First Amendment with PIRHL in substantially the same form as that on file with the Municipal Clerk.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Municipality of Princeton, in the County of Mercer, New Jersey, as follows:

1. The aforementioned recitals are incorporated herein as though fully set forth at length.
2. (a) The Mayor is hereby authorized and directed to execute the First Amendment with PIRHL in substantially the same form as that on file with the Municipal Clerk, subject to minor modification or revision as deemed necessary and appropriate by the Mayor in consultation with counsel.

(b) The Municipal Clerk is hereby authorized and directed, upon the execution of the First Amendment, to attest to the signature of the Mayor upon such document.
3. If any part of this Resolution shall be deemed invalid, such parts shall be severed and the invalidity thereby shall not affect the remaining parts of this Resolution.
4. This Resolution shall take effect immediately.

WHEREAS, Chief Financial Officer, Sandra Webb has forwarded the bills and claims received for payment by the Municipality of Princeton for review and approval by the Mayor and Council; and

NOW, THEREFORE BE IT RESOLVED that the Mayor and Council of Princeton approve the attached bill list.

| Councilperson | Absent | Present | 1 st | 2 nd | Yea | Nay | Abstain | Disqualified |
|--------------------|--------|---------|-----------------|-----------------|-----|-----|---------|--------------|
| Mr. Cohen | | X | | | X | | | |
| Ms. Fraga | | X | | | X | | | |
| Ms. Niedergang | | X | | | X | | | |
| Ms. Pirone Lambros | | X | | X | X | | | |
| Ms. Sacks | | X | X | | X | | | |
| Mr. Williamson | | X | | | X | | | |
| Mayor Freda | | X | | | | | | |

I, Delores A. Williams, Municipal Clerk of Princeton, do hereby certify that the above is a true copy of a resolution adopted by the Mayor and Council of Princeton at a meeting held December 13, 2021.



Delores A. Williams, Municipal Clerk

ATTACHMENTS:

- Princeton - PIRHL - First Amendment to RDA (lender provisions) 12-10-21 (DOC)