

AMENDED HOUSING ELEMENT AND FAIR SHARE PLAN

Town of Harrison
Hudson County, New Jersey

July 2017
Adopted December 14, 2017
Amended December 2019 and Adopted December 17, 2019
Amended April 2020 and Adopted _____

Prepared by:



Heyer, Gruel & Associates
Community Planning Consultants
236 Broad Street, Red Bank, NJ 07701
(732) 741-2900

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The original of this report was signed and
Sealed in accordance with N.J.S.A. 45:14A-12.

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PART 1: HOUSING ELEMENT

INTRODUCTION

The need to provide a realistic opportunity for the construction of affordable housing in New Jersey, the country's densest state, has been recognized for decades. In the case of Southern Burlington County NAACP v. the Township of Mount Laurel, (commonly known as Mount Laurel I), the New Jersey Supreme Court established the doctrine that municipalities in New Jersey have a constitutional obligation to zone for a variety and choice of housing types that would be affordable to low- and moderate-income households. In its Mount Laurel II decision, decided on January 20, 1983 (Mount Laurel II), the Supreme Court expanded the Mount Laurel doctrine by determining that each New Jersey municipality was required to create a realistic opportunity for the construction of housing affordable to low- and moderate-income households sufficient to meet its "fair share" of the need for housing. Developing municipalities were required to address a fair share of the regional need for affordable housing.

In response to the threat of "builder's remedy" lawsuits endorsed by the Mount Laurel II decision, the New Jersey Legislature adopted the Fair Housing Act in 1985 (Chapter 222, Laws Of New Jersey, 1985). The New Jersey Fair Housing Act (FHA) established the Council on Affordable Housing (COAH) as an administrative alternative to builder's remedy lawsuits and the concomitant jurisdiction of the courts. COAH was given the responsibility of dividing the state into housing regions, determining regional and municipal fair share affordable housing obligations, and adopting regulations that would establish the guidelines and approaches that municipalities may use in addressing their affordable housing need.

In 2008, the Legislature amended the Fair Housing Act to add requirements for very-low-income housing. Very-low-income households are those in which the gross household income is 30% or less than the region's median household income. Low-income households are those with incomes no greater than 50 percent of the region's median household income. Moderate-income households are those with incomes no greater than 80 percent and no less than 50 percent of the region's median household income. Each is adjusted for household size and is in relation to the median gross income of the housing region in which the municipality is located.

This Housing Element and Fair Share Plan for the Town of Harrison has been prepared in accordance with applicable law. Moreover, the Borough filed a declaratory judgment action pursuant to In re Adoption of N.J.A.C. 5:96 & 5:97 by the N.J. Council on Affordable Housing, 221 N.J. 1 (2015) ("Mount Laurel IV"). In this decision (decided March 10, 2015), the Supreme Court held that since COAH was moribund, trial courts were to resume their role as the forum of first

instance for evaluating municipal compliance with Mount Laurel obligations, and also established a transitional process for municipalities to seek temporary immunity and ultimately a Judgment of Compliance and Repose ("JOR") or the "judicial equivalent" of Substantive Certification from COAH.

Harrison's History of Affordable Housing

The Harrison Planning Board adopted a Round 3 Housing Element and Fair Share Plan on December 11, 2008 ("2008 Plan"), and on December 30, 2008 petitioned COAH for substantive certification. The Town was deemed complete on February 19, 2009. Harrison then adopted an amended Round an amended Round 3 Housing Element and Fair Share Plan on October 21, 2009 ("2009 Plan") under the revised COAH Third Round methodology. Harrison, however, did not received Third Round substantive certification as a large majority of COAH's Third Round regulations were invalidated by the Appellate Division on October 10, 2010.

In response to Mount Laurel IV, Harrison filed a Declaratory Judgment action, along with a motion for temporary immunity, on July 8, 2015. The Court appointed Christine A. Nazzaro-Coffone, A.I.C.P., P.P., to serve as the Court's Special Master.

Due to the current uncertainty in the appropriate manner by which to calculate municipal obligations throughout New Jersey, the Town determined that a settlement with Fair Share Housing Center ("FSHC") was in the best interest of the Town and its residents. Under the supervision of the Special Master, the Town and its professionals entered into negotiations with representatives of FSHC to settle the Town's Declaratory Judgment action and seek Court approval for an accepted fair share obligation for the Borough. A Fairness Hearing was held on August 23, 2017, at which time the Court approved a draft settlement agreement between the Town and FSHC. The Harrison Planning Board adopted a Housing Element and Fair Share Plan on December 14, 2017 ("2017 Plan"). The Town and FSHC executed a settlement agreement dated November 2, 2018 on November 26, 2018.

Subsequent to the Fairness Hearing and prior to a Compliance Hearing, the Town determined that it would like to amend its Housing Element and Fair Share Plan to include additional provisions for age-restricted affordable housing opportunities. The Town did not "max-out" its age-restricted units in the 2017 Plan and now wishes to do so. The Town and FSHC amended the settlement agreement to represent these changes. As a result, the Town adopted an Amended Housing Element and Fair Share Plan on December 14, 2019. The Town has subsequently made minor amendments to the Plan, incorporated herein. The amended settlement agreement, dated November 12, 2019, was approved by the Town Council and signed by the Mayor on

November 12, 2019 and was signed by Adam Gordon of Fair Share Housing Center at a later date (undated). The amended settlement agreement can be found in Appendix A. The Town seeks from the Court an affirmative declaration of compliance regarding all aspects of its affordable housing obligation.

Planning for Affordable Housing

Pursuant to both the Fair Housing Act and the Municipal Land Use Law (MLUL), municipalities in New Jersey are required to include a housing element in their master plans. The principal purpose of the housing element is to describe the specific, intended methods that a municipality plans to use in order to meet its low and moderate income housing needs. Further, the housing element is meant to demonstrate the existing zoning or planned zoning changes that will allow for the provision of adequate capacity to accommodate household and employment growth projections, to achieve the goal of access to affordable housing for present and future populations. The statutorily required contents of the housing element are:

- a. An inventory of the municipality's housing stock by age, condition, purchase or rental value, occupancy characteristics, and type, including the number of units affordable to low and moderate income households and substandard housing capable of being rehabilitated;
- b. A projection of the municipality's housing stock, including the probable future construction of low and moderate income housing, for ten years, taking into account, but not necessarily limited to, construction permits issued, approvals of applications for development and probable residential development of lands;
- c. An analysis of the municipality's demographic characteristics, including but not necessarily limited to, household size, income level and age;
- d. An analysis of the existing and probable future employment characteristics of the municipality;
- e. A determination of the municipality's present and prospective fair share for low and moderate income housing and its capacity to accommodate its present and prospective housing needs, including its fair share for low and moderate income housing; and
- f. A consideration of the lands that are most appropriate for construction of low and moderate income housing and of the existing structures most appropriate for conversion to, or rehabilitation for low and moderate income housing, including a consideration of lands of developers who have expressed a commitment to provide low and moderate income housing.

Municipal Summary

The Town of Harrison is 1.22 square miles in size and is located in the northeastern part of New Jersey in Hudson County. The Town had a population of 13,620 in 2010 and is bounded by the Borough of East Newark in the north along the Passaic River, Town of Kearny also to the north, and the City of Newark to the south as well as the east and across the Passaic River.

According to the 2010 Census, the population of Harrison was 13,620, which represents a 5.6 percent decrease from 2000. The US Census Bureau 2013-2017 American Community Survey estimates a total population of 14,025. The 2010 median age in Harrison was 34 years, which was similar to that of Hudson County's median age of 34.2 years. The median household size in 2010 was 2.8 persons, almost exactly the same as the 2.81 persons in 2000.

The housing stock of the Town is predominantly two-family dwelling units, and a majority of the housing stock (52.4%) was built before 1960. According to the guidelines established by COAH, the Town of Harrison is located in Housing Region 1, a region that consists of Sussex, Bergen, Hudson, and Passaic counties. Income limits are based on median income within each COAH region. Based on the 2019 Regional Income Limits¹, the median income in Region 1 for a four-person household is \$95,153, the moderate-income limit for a four-person household is \$76,122, the low-income limit for a four-person household is \$47,576, and the very-low-income limit for a four-person household is \$28,546.

The executed amended settlement agreement between the Town of Harrison and the FSHC assigns a Present Need obligation of 155 units, a Prior Round obligation of 30 units, and a Prospective Need obligation of 429 units.

The Town proposes to address its obligation through the following:

- A Rehabilitation Program
- Inclusionary Zoning
- Developer Fee Ordinance

¹ Prepared by the Affordable Housing Professionals of New Jersey

DEMOGRAPHIC CHARACTERISTICS

Population

The population trends experienced in Harrison, Hudson County, and the State of New Jersey from 1930 through 2017 are shown below. There were 13,620 residents in Harrison in 2010, which was a decrease of 804 people, or 5.6 percent, from the 2000 population but an increase in population has been seen since 2010. From 1930 to 1960 Harrison experienced a decline in population. This trend reversed, however, in the 1960s and from then until 2000, the population saw a steady increase. Between 2000 and 2010, the Town experienced its first decline in population in 50 years. The population regained approximately half of the population that was lost between 2000 and 2010, rising by 3% in 2013. The population rose again in 2015 by 4.3%. According to the 2013-2017 American Community Survey 5-Year Estimates, the Town experienced an 8.7% percent increase in population between 2015 and 2017. The County experienced a continued decline until the 1990s where from 1990 to 2000 the County experienced its largest growth (10.1%) in 60 years. The State, on the other hand, has continued to grow over the last 80 years.

Population Trends									
Year	Harrison Town			Hudson County			New Jersey		
	Population	Change		Population	Change		Population	Change	
		Number	Percent		Number	Percent		Number	Percent
1930	15,601	-	-	690,730	-	-	4,041,334	-	-
1940	14,171	-1,430	-9.2%	652,040	-38,690	-5.6%	4,160,165	118,831	2.9%
1950	13,490	-681	-4.8%	647,437	-4,603	-0.7%	4,835,329	675,164	16.2%
1960	11,743	-1,747	-13.0%	610,734	-36,703	-5.7%	6,066,782	1,231,453	25.5%
1970	11,811	68	0.6%	607,839	-2,895	-0.5%	7,171,112	1,104,330	18.2%
1980	12,242	431	3.6%	556,972	-50,867	-8.4%	7,365,011	193,899	2.7%
1990	13,425	1,183	9.7%	553,099	-3,873	-0.7%	7,730,188	365,177	5.0%
2000	14,424	999	7.4%	608,975	55,876	10.1%	8,414,350	684,162	8.9%
2010	13,620	-804	-5.6%	634,277	25,302	4.2%	8,791,894	377,544	4.5%
2013 Estimates	14,025	405	3.0%	644,605	10,328	1.6%	8,832,406	40,512	0.5%
2015 Estimates	14,629	604	4.3%	662,619	28,342	4.4%	8,904,413	112,519	1.3%
2017 Estimates	15,898	1,269	8.7%	679,756	35,151	5.3%	8,960,161	127,755	1.4%

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates

Population Composition by Age

The median age of the residents in Harrison in 2010 was 34 years. Analysis of age group characteristics provides insight into the actual changes in population. This comparison is helpful

in determining impacts these changes have on housing needs, community facilities and services for the municipality. The composition of Harrison has shifted somewhat since 2000. Every age group saw a decrease except for the 55 to 64 age cohort, which increased by 22.9 percent. The most significant decrease was experienced in the 35 to 44 age cohort, which decreased by 18.1 percent, followed by the 65 and over cohort, which declined by 14.8 percent.

Population by Age 2000 and 2010, Town of Harrison						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	14,424	100.0%	13,620	100.0%	-804	-5.6%
Under 5 years	931	6.5%	858	6.3%	-73	-7.8%
5 to 14	1,626	11.3%	1,506	11.1%	-120	-7.4%
15 to 24	2,072	14.4%	1,954	14.3%	-118	-5.7%
25 to 34	2,810	19.5%	2,729	20.0%	-81	-2.9%
35 to 44	2,492	17.3%	2,042	15.0%	-450	-18.1%
45 to 54	1,840	12.8%	1,829	13.4%	-11	-0.6%
55 to 64	1,172	8.1%	1,440	10.6%	268	22.9%
65 and over	1,481	10.3%	1,262	9.3%	-219	-14.8%

Source: U.S. Census Bureau

Hudson County similarly saw its greatest increase in the 55 to 64 age cohort (25.2%) but also experienced moderate increases in the 45 to 54 cohort (14.7%), the 25 to 34 cohort (10.4%) and in those under 5 years (9.9%). The largest decrease (13.2%) was seen in the 5 to 14 age cohort.

Population by Age 2000 and 2010, Hudson County						
Population	2000		2010		Change, 2000 to 2010	
	Number	Percent	Number	Percent	Number	Percent
Total population	609,975	100.0%	634,277	100.0%	24,302	4.0%
Under 5 years	38,756	6.4%	42,586	6.7%	3,830	9.9%
5 to 14	76,700	12.6%	66,584	10.5%	-10,116	-13.2%
15 to 24	85,412	14.0%	85,641	13.5%	229	0.3%
25 to 34	119,073	19.5%	131,508	20.7%	12,435	10.4%
35 to 44	97,727	16.0%	96,716	15.2%	-1,011	-1.0%
45 to 54	72,379	11.9%	82,985	13.1%	10,606	14.7%
55 to 64	49,657	8.1%	62,180	9.8%	12,523	25.2%
65 and over	69,271	11.4%	63,085	9.9%	-6,186	-8.9%

Source: U.S. Census Bureau

Households

A household is defined as one or more persons, either related or not, living together in a housing unit. In 2010 there was a total of 4,869 households in Harrison. A little less than half (48.9%) were occupied by two persons or less. The average household size of the Town in 2010 was 2.8, slightly higher than that of the County's average of 2.54. While the Town's largest percentage of

households was a two-person household (26.8%), the County's largest percentage of household size was a one-person household at 29.9 percent.

Household Size: Occupied Housing Units Town of Harrison and Hudson County, 2010				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Households	4,869	100.0%	246,437	100.0%
1-person household	1,078	22.1%	73,741	29.9%
2-person household	1,304	26.8%	71,762	29.1%
3-person household	1,052	21.6%	42,935	17.4%
4-person household	808	16.6%	31,581	12.8%
5-person household	380	7.8%	15,098	6.1%
6-person household	159	3.3%	6,401	2.6%
7-or-more-person household	88	1.8%	4,919	2.0%
Average Household Size	2.8		2.54	

Source: U.S. Census Bureau

Family households are defined as two or more persons living in the same household, related by blood, marriage or adoption. They do not include same-sex married couples. Most households in the Town in 2010 were family households, comprising 67 percent of all households. The average family size was 3.23. The majority of family households (66%) were married-couple families, of which a little less than half had children under the age of 18. Approximately 22 percent of all households were one-person households, of which 49.9 percent were male householders and 50.1 percent were female householders.

In providing more detail of American households, the 2010 Census included the sub-groups of non-traditional households: Other family and Non-family households. "Other" family households made up 22.8 percent of all households, of which 731, roughly 66 percent, were female householders with no husband present. Non-family households are defined as households that consist of a householder living alone or sharing the home exclusively with people whom he/she is not related. Non-family households comprised approximately 11 percent of all households in the Town.

Household Size and Type, 2010 Town of Harrison		
	Total	Percent
Total Households	4,869	100.0%
1 person household	1,078	22.1%
Male householder	538	49.9%
Female householder	540	50.1%
2 or more person household	3,791	77.9%
Family households	3,260	67.0%
Married Couple Family	2,151	66.0%
With own children under 18 years	1,030	47.9%
No children under 18 years	1,121	52.1%
Other Family	1,109	22.8%
Male householder, no wife present	378	34.1%
With own children under 18 years	163	43.1%
No own children under 18 year	215	56.9%
Female householder, no husband present	731	65.9%
With own children under 18 years	355	48.6%
No own children under 18 year	376	51.4%
Nonfamily Households	531	10.9%
Male householder	353	66.5%
Female householder	178	33.5%
Average Family Size	3.23	

Source: U.S. Census Bureau

Income

As measured in 2017, the Town of Harrison had a median household income was \$61,168, \$15,307 less than that of the State, and only \$1,513 less than that of Hudson County. In 2017, the per capita income was \$28,892, which is \$10,177 less than the State's and \$7,018 less than the County's.

Per Capita and Household Income		
	2017 Per Capita Income	2017 Median Household Income
Harrison	\$28,892	\$61,168
Hudson County	\$35,910	\$62,681
New Jersey	\$39,069	\$76,475

Source: 2013-2017 American Community Survey 5-Year Estimates

In 2017, nearly 60 percent of all households in the Town earned \$50,000 or more, with the largest percentage of households in the \$50,000 to \$74,999 range (22%). This percentage was followed by those households that earned \$75,000 to \$99,999 (20.2%) and finally by those who earned

between \$100,000 and \$149,999 at 14.6%. About 26 percent of households earned less than \$35,000. The income distribution in Hudson County was similar to that of Harrison with the most common income bracket also being the \$50,000 to \$74,999 range (15.8%).

Household Income Harrison and Hudson County, 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Households	5,622	100.0%	252,352	100.0%
Less than \$10,000	330	5.9%	20,235	8.0%
\$10,000 to \$14,999	186	3.3%	11,847	4.7%
\$15,000 to \$24,999	434	7.7%	23,857	9.5%
\$25,000 to \$34,999	493	8.8%	20,472	8.1%
\$35,000 to \$49,999	544	9.7%	19,001	7.5%
\$50,000 to \$74,999	1,238	22.0%	39,790	15.8%
\$75,000 to \$99,999	1,134	20.2%	27,354	10.8%
\$100,000 to \$149,999	822	14.6%	36,680	14.5%
\$150,000 to \$199,999	381	6.8%	19,131	7.6%
\$200,000 or more	297	5.3%	25,429	10.1%
Median Household Income	\$61,168		\$62,681	

Source: 2013-2017 American Community Survey 5-Year Estimates

Poverty Status

In 2017, approximately 16 percent of the Harrison's residents aged 18 and older were living below the poverty line. Of the 2,567 persons living below the poverty line, the majority (65.5%) fell into the age range of 18 to 64 years old. About 30 percent were under the age of eighteen, and roughly 4 percent were seniors, a marked decrease from 11 percent in 2013. The County saw similar numbers with 17.1 percent of its population below the poverty line.

Poverty Status Harrison and Hudson County, 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total persons	15,886	-	672,241	-
Total persons below poverty level	2,567	16.2%	115,254	17.1%
Under 18	780	30.4%	35,405	30.7%
18 to 64	1,681	65.5%	67,539	58.6%
65 and over	106	4.1%	12,310	10.7%

Source: 2013-2017 American Community Survey 5-Year Estimates

Household Costs

The tables below show the expenditures for housing for those who own and rent in Harrison. Most people in the Town lived in homes they rented (71%), of which 40.5 percent spent 30 percent or more of their household income on housing. Owner-occupied households make up 29 percent of the households in Harrison, of which 44.4 percent spent 30 percent or more of their household income on housing. General affordability standards set a limit at 30 percent of gross income to be allocated for owner-occupied housing costs and 28 percent of gross income to be allocated for renter-occupied housing costs.

Selected Monthly Owner Costs as a Percentage of Household Income 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Owner-Occupied Housing Units	1,567	100.0%	79,116	100.0%
Less than 15%	395	25.2%	18,241	23.1%
15 to 19%	174	11.1%	10,794	13.6%
20 to 24%	204	13.0%	10,018	12.7%
25 to 29%	135	8.6%	7,438	9.4%
30 to 34%	86	5.5%	5,845	7.4%
35% or more	549	35.0%	26,096	33.0%
Not computed	24	1.5%	684	0.9%

Source: 2013-2017 American Community Survey 5-Year Estimates

Gross Rent as a Percentage of Household Income 2013-2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Renter-Occupied Housing Units	3,846	100.0%	166,193	100.0%
Less than 15%	616	16.0%	24,832	14.9%
15 to 19%	452	11.8%	22,330	13.4%
20 to 24%	620	16.1%	21,336	12.8%
25 to 29%	451	11.7%	18,327	11.0%
30 to 34%	364	9.5%	15,374	9.3%
35% or more	1,343	34.9%	63,994	38.5%
Not computed	209	5.4%	7,043	4.2%

Source: 2013-2017 American Community Survey 5-Year Estimates

Similar to Harrison, a large majority (68%) of Hudson County residents rent their home. Roughly 48 percent of all County renter-occupied households and 40.4 percent of all owner-occupied households spent 30 percent or more of their household income on housing.

EXISTING HOUSING CONDITIONS

Housing Unit Data

Approximately 52 percent of Harrison's housing stock consists of structures older than 50 years with the median year of construction landing in 1967. According to the 2010 Census, Harrison had a total of 5,228 housing units. A majority of the units (3,385 or 69.5%) were renter-occupied while 1,474 units (30.3%) were owner-occupied. Small surges of housing construction were seen in the 1970s and 2000s, but for the most part construction has remained relatively steady. The 2013-2017 American Community Survey 5-Year Estimates indicate that roughly 1,265 new housing units have been built since 2000. A significant amount of construction has also occurred in recent years within the Harrison Waterfront Redevelopment Area. Due to the nature of how recently development has come about along the Waterfront, residential construction projects may not appear in the Census and ACS data shown below.

Housing Data Harrison, 2010		
	Number	Percent
Total Housing Units	5,228	100.0%
Occupied Housing Units	4,869	93.1%
Owner Occupied	1,474	30.3%
Renter Occupied	3,385	69.5%

Source: 2010 U.S. Census

Year Structure Built Harrison		
	Number	Percent
Built 1939 or earlier	1,515	25.6%
Built 1940 to 1949	304	5.1%
Built 1950 to 1959	751	12.7%
Built 1960 to 1969	527	8.9%
Built 1970 to 1979	847	14.3%
Built 1980 to 1989	438	7.4%
Built 1990 to 1999	263	4.5%
Built 2010 to 2013	416	7.0%
Built 2014 or later	245	4.1%
Total	5,910	100.0%
Median Year Structure Built	1967	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Type and Size

The majority of the housing stock in Harrison is two-family dwelling units. In 2017, there were 2,128 two-family housing structures representing 36 percent of the housing stock. Three- to four-family structures were the second most common housing type with 1,304 units or 22 percent of the Town's housing stock. Approximately 12.5 percent of the housing stock is single-family detached or attached, while 11.5 percent consists of 50 or more units. The median number of rooms within housing structures in the Town was 4.5, with 31.4 percent having 5 rooms.

Housing Type and Size Harrison, 2017 Estimates		
Units in Structure	Total	Percent
Total	5,910	100.0%
1, detached	551	9.3%
1, attached	188	3.2%
2	2,128	36.0%
3 or 4	1,302	22.0%
5 to 9	467	7.9%
10 to 19	299	5.1%
20 to 49	289	4.9%
50 or more	681	11.5%
Mobile home	5	0.1%
Boat, RV, van, etc.	0	0.0%
Rooms	Total	Percent
1 room	324	5.5%
2 rooms	195	3.3%
3 rooms	847	14.3%
4 rooms	1,635	27.7%
5 rooms	1,858	31.4%
6 rooms	571	9.7%
7 rooms	147	2.5%
8 rooms	119	2.0%
9 or more rooms	214	3.6%
Median number of rooms	4.5	

Source: 2013-2017 American Community Survey 5-Year Estimates

Housing Growth and Projections

For the period between January 2000 and December 2019, the Town issued building permits authorizing the development of 4,358 units, which averages to approximately 229 units per year. The observed increase in multi-family development over the 19-year span is focused in the Town's Waterfront Redevelopment Area.

If the average rate of 229 units per year were to remain relatively constant over the next 10-year period, the Town could expect to see an additional 2,290 residential units authorized by the 2020. External factors such as zoning, redevelopment, environmental constraints, and economic cycles may cause this projection to fluctuate. As detailed in the Fair Share Plan, found in Part 2 of this Housing Element and Fair Share Plan, at the minimum residential development can be expected through the execution of the settlement agreement and the Waterfront Redevelopment Plan.

Housing Units Authorized by Building Permits: 2000-2019* Harrison				
Year	1 & 2 Family	Multi Family	Mixed-Use	Total
2000-2003	-	-	-	62
2004	24	0	0	24
2005	31	0	0	31
2006	81	156	0	237
2007	23	497	0	520
2008	10	0	0	10
2009	14	1	1	16
2010	4	6	0	10
2011	9	0	0	9
2012	18	467	0	485
2013	15	4	0	19
2014	18	448	0	466
2015	24	286	0	310
2016	47	409	0	456
2017	18	1,051	0	1069
2018	45	0	0	45
2019	37	552	0	589
Total 2000-2019	418	3,877	1	4,358
19-Year Average				229
10-Year Projection (2020-2030)				2,290

Source: State of New Jersey Department of Community Affairs Building Permits: Yearly Summary Data

*The DCA Construction Reporter did not begin to report housing permits by type until 2004.

Occupancy

According to the 2010 Census, of the 5,228 units in Harrison, 4,896 (93.1%) were occupied while only 359 (6.9%) were vacant. Of those units that were vacant, about 50 percent were for rent, another 14.2 percent were for sale, and 2.5 percent were for seasonal, recreational or occasional use.

Occupancy Status Harrison, 2010		
	Total	Percent
Total Housing Units	5,228	100%
Occupied	4,869	93.1%
Vacant Housing Units	359	6.9%
For Rent/Rented Not Occupied	178	49.6%
For Sale Only	51	14.2%
For Seasonal, Recreational or Occasional Use	9	2.5%
Other Vacant	105	29.2%

Source: 2010 U.S. Census

Housing Values and Contract Rents

In 2017, a majority of the owner-occupied housing units in Harrison (81.7%) were valued at over \$200,000. Approximately 18 percent of all occupied units were financed by a mortgage. Housing values for owner-occupied housings units are listed in the table below along with mortgage status data. A total of 29.2 percent of all owner-occupied units had a value within the \$200,000 and \$299,999 range. The second most common value range was between \$300,000 to \$399,999 comprising 28.1 percent of all owner-occupied units. The median value of an owner-occupied housing unit in Harrison was \$309,000. Though most units were covered by a mortgage (57%), a significant percentage of units (43%) had no mortgage at all. The County's trends mirror that of the Town with roughly 85 percent of the homes valued at \$200,000 and over, and roughly 68 percent of housing units functioning with a mortgage, contract to purchase, or similar debt. Approximately 32 percent of the owner-occupied housing in the County poses no mortgage.

Value for Owner-Occupied Housing Units, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total	1,567	100.0%	79,116	100.0%
Less than \$50,000	66	4.2%	2,300	2.9%
\$50,000 to \$99,999	29	1.9%	1,226	1.5%
\$100,000 to \$149,999	18	1.1%	2,653	3.4%
\$150,000 to \$199,999	174	11.1%	5,802	7.3%
\$200,000 to \$299,999	457	29.2%	18,054	22.8%
\$300,000 to \$399,999	440	28.1%	19,254	24.3%
\$400,000 to \$499,999	153	9.8%	10,927	13.8%
\$500,000 and greater	230	14.7%	18,900	23.9%
Median Value	\$309,000		\$349,500	

Source: 2013-2017 American Community Survey 5-Year Estimates

Mortgage Status, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Housing units with a mortgage, contract to purchase, or similar debt:	893	57.0%	53,984	68.2%
With either a second mortgage or home equity loan, but not both:	137	8.7%	6,509	8.2%
Second mortgage only	22	1.4%	1,180	1.5%
Home equity loan only	115	7.3%	5,329	6.7%
Both second mortgage and home equity loan	8	0.5%	416	0.5%
No second mortgage and no home equity loan	748	47.7%	47,059	59.5%
Housing units without a mortgage	674	43.0%	25,132	31.8%

Source: 2013-2017 American Community Survey 5-Year Estimates

According to the 2013-2017 American Community Survey 5-year Estimates, the median contract rent in Harrison was \$1,170. The highest percentage of renters (45.2%) paid between \$1,000 and \$1,499 for rent, followed by 15.8 percent who paid between \$1,500 and \$1,999 for rent. The County's median contract rent was similar to the Town's at \$1,147.

Contract Rent, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Total Renter Occupied Units	4,055	100.0%	173,236	100.0%
Less than \$200	15	0.4%	3,898	2.3%
\$200 to \$499	84	2.1%	12,769	7.4%
\$500 to \$699	184	4.5%	9,863	5.7%
\$700 to \$899	512	12.6%	21,740	12.5%
\$900 to \$999	335	8.3%	15,225	8.8%
\$1,000 to \$1,499	1,833	45.2%	58,156	33.6%
\$1,500 to \$1,999	642	15.8%	21,020	12.1%
\$2,000 or more	367	9.1%	27,625	15.9%
No cash rent	73	1.8%	2,940	1.7%
Median Contract Rent	\$1,170		\$1,147	

Source: 2013-2017 American Community Survey 5-Year Estimates

According to the 2013-2017 American Community Survey 5-Year Estimates, the median contract rent in Harrison was \$1,170 per month (\$14,040 annually). A minimum income of \$46,800 (\$14,040/0.30) would be necessary to afford the Town's median contract rent. Therefore, an estimated minimum of 26 percent of all households within the Town could not afford to live in a dwelling unit at or above the median contract rent. Similarly, on a Countywide scale, an estimated 30 percent of all households could not afford to live within a residence whose rent is at or above the median contract rent.

Housing Conditions

The following table details the condition of the housing within Harrison. Overcrowding and age, plumbing, and kitchen facilities are used to determine housing deficiency. In 2017, there were 65 owner-occupied units in Harrison that experienced overcrowding (more than one person per room). Renter-occupied dwellings saw a total of 140 overcrowded units. Throughout the Town, 39 units lacked complete plumbing facilities and 91 units lacked complete kitchen facilities.

Housing Conditions Harrison, 2017 Estimates		
	Number	Percent
House Heating Fuel: Occupied Housing Units		
Total	5,622	100.0%
Utility gas	4,411	78.5%
Bottled, tank, or LP gas	116	2.1%
Electricity	746	13.3%
Fuel oil, kerosene, etc.	284	5.1%
Coal or coke	0	0.0%
Wood	0	0.0%
Solar energy	12	0.2%
Other fuel	8	0.1%
No fuel used	45	0.8%
Occupants per Room: Occupied Housing Units		
Total	5,622	100.0%
Owner-Occupied (Over 1.0)	65	27.9%
Renter-Occupied (Over 1.0)	140	72.1%
Facilities: Total Units		
Total	5,622	100.0%
Lacking complete plumbing facilities	39	0.7%
Lacking complete kitchen facilities	91	1.6%
Telephone Service: Occupied Housing Units		
Total	5,622	100.0%
No Service	200	3.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

EMPLOYMENT DATA

The following tables detail changes in employment from 2007 to 2018 in Harrison, Hudson County, and the State of New Jersey. While the unemployment rate of Harrison Town experienced minimal fluctuation during this time, it jumped 4.6 percent in 2009 to reach a high point of 11.1 percent. The Town unemployment rate remained around 9 percent for the following three years before it started declining again in 2013. The unemployment rate of the Town has continued to progress in a similar manner to that of the County, both experiencing parallel increases and declines over the past decade. While the Town had a higher unemployment rate than the State in the years leading up to 2009, since the Recession, the numbers experienced in the Town are similar to that of the State.

Harrison Employment and Residential Labor Force: 2007-2018				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	7,006	6,655	351	5.0%
2008	7,263	6,793	470	6.5%
2009	7,469	6,641	827	11.1%
2010	7,476	6,811	666	8.9%
2011	7,487	6,821	667	8.9%
2012	7,546	6,849	697	9.2%
2013	8,071	7,470	601	7.4%
2014	8,025	7,516	509	6.3%
2015	8,071	7,612	459	5.7%
2016	8,404	8,010	394	4.7%
2017	8,963	8,593	370	4.1%
2018	8,874	8,572	302	3.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Hudson County Employment and Residential Labor Force: 2007-2018				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	290,000	275,600	14,500	5.0%
2008	294,000	275,800	18,300	6.2%
2009	300,200	268,600	31,600	10.5%
2010	352,903	319,151	33,752	9.6%
2011	357,354	324,656	32,698	9.2%
2012	360,706	328,634	32,072	8.9%
2013	359,472	331,172	28,300	7.9%
2014	357,191	334,435	22,756	6.4%
2015	358,799	339,480	19,319	5.4%
2016	359,152	342,335	16,817	4.7%
2017	360,296	344,612	15,684	4.4%
2018	357,639	343,787	13,852	3.9%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

New Jersey Employment and Resident Labor Force: 2007-2018				
Year	Labor Force	Employment	Unemployment	Unemployment Rate
2007	4,441,800	4,251,800	190,000	4.3%
2008	4,504,400	4,264,000	240,500	5.3%
2009	4,550,600	4,138,600	412,100	9.1%
2010	4,555,300	4,121,500	433,900	9.5%
2011	4,565,300	4,138,500	426,800	9.3%
2012	4,588,000	4,160,000	428,000	9.3%
2013	4,548,600	4,173,800	374,700	8.2%
2014	4,487,000	4,183,500	303,500	6.6%
2015	4,489,000	4,229,200	259,800	5.8%
2016	4,474,700	4,252,100	222,600	5.0%
2017	4,453,500	4,247,500	206,000	4.6%
2018	4,422,900	4,239,600	183,400	4.1%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Employment Status

The 2013-2017 American Community Survey 5-year Estimates reveal that roughly 71 percent of Harrison's 16 years and over population is in the labor force. The County's employment status closely reflects the Town's trends. About one third of both the Town's and the County's over 16 population is not in the labor force (29.4% and 31.2% respectively).

Employment Harrison, 2017 Estimates				
	Harrison		Hudson County	
	Number	Percent	Number	Percent
Population 16 years and over	12,785	100.0%	554,677	100.0%
In labor force	9,030	70.6%	381,440	68.8%
Civilian Labor Force	9,030	70.6%	381,266	68.7%
Employed	8,254	64.6%	354,105	63.8%
Unemployed	776	6.1%	27,161	4.9%
Armed Forces	0	0.0%	174	0.0%
Not in labor force	3,755	29.4%	173,237	31.2%

Source: 2013-2017 American Community Survey 5-Year Estimates

Class of Worker and Occupation

The majority of workers (83.2%) living in Harrison in 2017 were a part of the private wage and salary worker group. This group includes people who work for wages, salary, commission, and tips for a private for-profit employer or a private not-for-profit, tax-exempt or charitable organization. The second largest category was government worker, making up 10.3 percent of the workforce. Roughly 6.4 percent of workers were self-employed.

Class of Worker Harrison, 2017 Estimates		
	Number	Percent
Total	8,254	100.0%
Private Wage and Salary Worker	6,869	83.2%
Government Worker	851	10.3%
Self-Employed Worker	531	6.4%
Unpaid Family Worker	3	0.0%

Source: 2013-2017 American Community Survey 5-Year Estimates

Those who worked within the private wage field were concentrated in management and professional services at roughly 39 percent. The second and third most common were those of service occupations and sales and office occupations at 18.8 percent and 18.1 percent respectively. Production, transportation and material moving occupations shifted from employing 19.4 percent of the workforce to 13.6 percent. The smallest portion of the workforce (10.4%) is the natural resources, construction and maintenance occupations.

Employment by Occupation Harrison, 2017 Estimates		
	Number	Percent
Employed Civilian population 16 years and over	8,254	100.0%
Management, business, science and arts occupations	3,224	39.1%
Service occupations	1,555	18.8%
Sales and office occupations	1,493	18.1%
Natural resources, construction and maintenance occupations	857	10.4%
Production, Transportation and material moving occupations	1,125	13.6%

Source: 2013-2017 American Community Survey 5-Year Estimates

By industry, employment is dispersed fairly evenly. The most common industry by a small margin is the educational services, health care and assistance sector, employing 18.8 percent of Harrison residents. The second most common industry employing 17.3 percent is professional, scientific and management and administrative and waste management services.

Employment by Industry Harrison, 2017 Estimates		
Industry	Number	Percent
Civilian employed population 16 years and over	8,254	100.0%
Agriculture, forestry, fishing and hunting, mining	0	0.0%
Construction	673	8.2%
Manufacturing	830	10.1%
Wholesale Trade	402	4.9%
Retail Trade	754	9.1%
Transportation and Warehousing, and Utilities	469	5.7%
Information	173	2.1%
Finance and insurance, and real estate and rental and leasing	627	7.6%
Professional, scientific, and management, and administrative and waste management services	1,426	17.3%
Educational services, and health care and social assistance	1,549	18.8%
Arts, entertainment, and recreation, and accommodation and food services	650	7.9%
Other Services, except public administration	479	5.8%
Public administration	222	2.7%

Source: 2013-2017 American Community Survey 5-Year Estimates

Commuting to Work

In 2017, the mean travel time to work for those who lived in the Town was 35.4 minutes. The vast majority of commuters, approximately 78 percent, traveled less than an hour to work, and roughly 42 percent have less than a thirty-minute commute.

Travel Time to Work Harrison, 2017 Estimates		
	Number	Percent
Workers who did not work at home	7,800	100.0%
Less than 10 minutes	589	7.6%
10 to 14 minutes	793	10.2%
15 to 19 minutes	701	9.0%
20 to 24 minutes	871	11.2%
25 to 29 minutes	308	3.9%
30 to 34 minutes	1,133	14.5%
35 to 44 minutes	81	1.0%
45 to 59 minutes	1,589	20.4%
60 to 89 minutes	1,338	17.2%
90 or more minutes	397	5.1%
Mean travel time to work (minutes)	35.4	

Source: 2013-2017 American Community Survey 5-Year Estimates

The largest portion of workers drove to work alone (41.9%), while 9 percent carpooled. Roughly 33 percent of workers, however, commuted via public transportation and nearly 10 percent walked. Approximately 2% of Harrison residents walked to work.

Means of Commute Harrison, 2017 Estimates		
	Number	Percent
Workers 16 years and over	7,980	100.0%
Car, truck, van- Drove Alone	3,346	41.9%
Car, truck, van- Carpooled	716	9.0%
Public Transportation	2,637	33.0%
Walked	781	9.8%
Other Means	320	4.0%
Worked at home	180	2.3%

Source: 2013-2017 American Community Survey 5-Year Estimates

Covered Employment

There is currently very limited information available on actual job opportunities within municipalities. The Department of Labor collects information on covered employment, which is employment and wage data for private employees covered by unemployment insurance. The tables below provide a snapshot of private employers located within Harrison. The first table reflects the number of jobs covered by private employment insurance from 2007 through 2017. The second table reflects the disbursement of jobs by industry and salaries in 2017.

According to data from the New Jersey Department of Labor and Workforce Development, 2007 saw a modest increase of 6.1%, but 2008 was the period of the most significant growth, wherein 3,492 jobs were covered by unemployment insurance, representing a spike of approximately 54.9%. In the following years, the number of covered jobs has decreased overall, with only slight increases in 2010, 2016 and 2017.

Private Wage Covered Employment: 2007-2018 Harrison			
Year	Number of Jobs	# Change	% Change
2007	2,255	129	6.1%
2008	3,492	1,237	54.9%
2009	3,125	-367	-10.5%
2010	3,229	104	3.3%
2011	3,180	-49	-1.5%
2012	3,129	-51	-1.6%
2013	3,124	-5	-0.2%
2014	3,095	-29	-0.9%
2015	2,939	-156	-5.0%
2016	2,953	14	0.5%
2017	2,999	45	1.5%
2018	2,897	-102	-3.4%

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

In-Town Establishments and Employees by Industry: 2017

The table below depicts the average annual number of establishments and employees by industry sector that exist within the Town, as grouped by North American Industry Classification System (NAICS). In 2017, the Town had an annual average of 262 private sector establishments employing on average 3,108 persons. Wholesale trade is no longer the predominant private sector employer, as was indicated in 2013. The accommodations and food service sector accounted for approximately 18 percent of the establishments, followed by the health and social services sector at 15 percent, and the manufacturing and wholesale trade sectors, at 12.5 percent and 12.4 percent respectively.

Average Number of Establishments and Employees by Industry: 2017		
Industry	2017 Average	
	Units	Employment
Construction	.	.
Manufacturing	.	392
Wholesale Trade	9	390
Retail Trade	27	182
Transp/Warehousing	31	362
Finance/Insurance	9	40
Real Estate	6	11
Professional/Technical	23	158
Admin/Waste Remediation	12	83
Education	.	.
Health/Social	35	452
Arts/Entertainment	.	.
Accommodations/Food	32	568
Other Services	19	50
Unclassifieds	23	18
Private Sector Totals	262	3,108
Local Government Totals	7	657

Source: NJ Dept. of Labor & Workforce Development Labor Force Estimates

Probable Future Employment Opportunities

The 2017 North Jersey Transportation Planning Authority's forecasts for the Town of Harrison estimate a total of 13,067 employed by 2045, representing an annualized percent employment change of 2.8% between 2015 and 2045.

It is reasonable to presume that future employment opportunities within Harrison will occur through the build out of the Waterfront Redevelopment Area. The construction of the Waterfront Area is ongoing and includes a mix of commercial and residential uses along with the Red Bulls soccer stadium that was completed in 2010, hotels, and a new PATH station. The Harrison Waterfront Redevelopment Plan was last amended in 2012. The Plan encourages future mixed-use development that revitalizes the region and broadens the economic base of the Town.

PART 2: FAIR SHARE PLAN

INTRODUCTION

The following Fair Share Plan (the Plan) details Harrison's present need, prior round obligation (1987-1999), and Third Round need. This Plan proposes mechanisms for which the Town can realistically provide opportunities for affordable housing for moderate-, low-, and very low-income households.

The Town of Harrison is a densely populated urban municipality that has a significant amount of pre-1960 housing (53% of the Town's existing housing stock – See page 14 of this report for more information).

The need for affordable housing in New Jersey is divided into three components:

- *Present Need* – The present need, or rehabilitation share, represents the number of existing housing units that are both deficient and occupied by low- and moderate-income households. This number is derived from review and analysis of housing conditions reported in the U.S. Census and American Community Survey.
- *Prior Round Obligation* – The Prior Round obligation is the cumulative 1987-1999 fair share obligation determined by 2014 COAH report. The First Round and the Second Round are mutually referred to as the "Prior Round."
- *Third Round Need* – July 1, 1999 - June 30, 2025 (which includes what is commonly referred to as the "gap period" (1999-2015) - On January 18, 2017, the Supreme Court issued In Re Declaratory Judgment Actions Filed by Various Municipalities, County of Ocean, Pursuant To The Supreme Court's Decision In In re Adoption of N.J.A.C. 5:96, 221 N.J. 1 (2015) ("Mount Laurel V"), holding that the need for affordable housing that accrued during the gap period (1999-2015) was not present or prospective need under the plain definitions of those terms in the FHA; however, there is an obligation with respect to that period for households that came into existence during that period that must be addressed in the Third Round.

Harrison's affordable housing obligations are as follows per the agreed upon settlement between the Town and Fair Share Housing Center (FSHC):

Rehabilitation Share	155
Prior Round Obligation	30
Third Round	429

The Town has addressed its Rehabilitation, Prior Round, and Third Round obligations per the agreed upon settlement and as detailed in this Plan.

PRESENT NEED

The term Present Need, as used in COAH's Prior Round Rules (N.J.A.C. 5:93), meant the sum of a municipality's indigenous need (the deficient housing units in the municipality occupied by low- and moderate-income households), and the reallocated present need, which is the portion of the housing region's present need that is redistributed to other municipalities throughout the housing region. Under the Prior Round rules, evidence of deficient housing included: year structure was built, persons per room, plumbing facilities, kitchen facilities, heating fuel, sewer service, and water supply.

The Third Round rules reduced the number of criteria used as evidence of deficient housing to three: pre-1960 over-crowded units, which are units that have more than 1.0 persons per room; incomplete plumbing; and incomplete kitchen facilities. This reduction in the number of criteria was found by the Appellate Division to be within COAH's discretion and was upheld in the Supreme Court's decision *In re N.J.A.C. 5:96 & 97*.

The previously discussed Mount Laurel IV decision agreed under the Appellate Division that reallocated Present Need is no longer a component in the determination of the Present Need. Therefore, Present Need now equates only to the indigenous need; the obligation based on deficient housing as determined by pre-1960 over-crowded units, incomplete plumbing, and incomplete kitchen facilities, generated within the Town itself, now refined as the Rehabilitation Share/Present Need.

The agreed upon settlement between the Town and FSHC determined a Present Need of 155 units for Harrison. The following details the methods in which the Town will meet its Present Need obligation. These efforts are sufficient to address the Town's obligation.

Development Fee Ordinance

In conformance with the Town's development fee ordinance that was adopted in 2006, and approved by COAH, developers must pay an affordable housing development fee into the Town's Affordable Housing Trust Fund (AHTF). Monies generated by the development fees will supplement the funds from the County rehabilitation programs detailed below.

The HOME Investment Partnership Program (HOME)

The HOME Investment Partnership Program (HOME) works with communities to provide assistance in funding a wide range of affordable housing projects. The Hudson County Consortium (the "Consortium") for the HOME Program is comprised of eleven municipalities within Hudson County including the Town of Harrison. The Consortium uses the HOME funds to provide assistance of rehabilitation of very low- and low-income units. Through its affirmative

marketing strategies, Harrison will assist residents in accessing the HOME program, as administered by the Consortium. See Appendix B for information on existing projects within Harrison funded in part by HOME. The Town will implement a rental rehabilitation program to supplement the County program.

Community Development Block Grant (CDBG) Program

Hudson County, along with seven of its municipalities, including the Town of Harrison, receives CDBG funds on an entitlement basis as an Urban County Consortium. The County administers the program, which provides funding to communities, non-profits, and public agencies to help address a range of development needs, mainly involving affordable housing projects and developments. The Town will affirmatively market the funding from the Community Development Block Grant (CDBG) program.

PRIOR ROUND OBLIGATION (1987-1999)

Harrison has a Prior Round obligation of 30 units. The following projects and existing zoning address the Prior Round obligation. For locations of all affordable housing, see the attached maps.

Harrison Senior Housing

A 15-unit age-restricted rental affordable housing development was completed in 2014 at 774 Harrison Avenue. Developed by the Domus Corporation, a nonprofit branch of Catholic Charities, the project was funded entirely with subsidies, including \$1.4 million in Hudson County HOME funds, \$333,350 from the Harrison Affordable Housing Trust Fund, and \$1.8 million from the Fund for Restoration of Multifamily Housing (FRM), part of the CDBG program, from the New Jersey Housing and Mortgage Finance Agency. The four-story development consists of three low-income units that are set at 47.5% of the average median income and twelve moderate-income units that are set at 57.5% of the average median income. Of the 15 units, 7 are applied to the Prior Round obligation along with its 2 accompanying bonus credits. All 15 units are deed restricted for a period of 30 years, beginning in 2014. See Appendix C for documentation on this project.

Waterfront Redevelopment Area

In 1997, 250 acres of the former industrial waterfront area in Harrison were designated as an Area in Need of Redevelopment. As part of the Town's comprehensive approach to address its full obligation, the zoning for three parcels within the Redevelopment Area will be revised to include a mandatory affordable housing set-aside.

Site #1

Site #1 is a 4.3-acre portion of Block 86 Lot 1.01, located on the west side of the Redevelopment Area between First Street and Second Street. The Town will amend the Redevelopment Plan to require Site #1 to permit multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside for family rental units. At this density, the site could generate 473 total units, of which a minimum of 70 would be affordable. Of the 70 affordable family rental units, a minimum of 10 shall be affordable to very low-income households.

Twenty-one (21) units from Site 1 will be used to address the Town's Prior Round obligation.

Town of Harrison Prior Round: 30-unit obligation			
Site	Acreage	Density/Units	Bonus Credits
Existing Senior Housing	-	7 senior affordable units	2 (7 x 0.33)
Redevelopment Area Site 1	4.3 Acres	Proposed density of 110 units per acre = 473 total units 15% set aside = 70 total affordable units Prior Round = 21 units	-
TOTAL		28 Units	2 Bonus Credits
TOTAL CREDITS		30 Credits	

ROUND 3 NEED

Per the agreed upon settlement agreement between the Town and the FSHC, the Town has a Third Round obligation of 429 units. The Town fully satisfies the Third Round obligation through the following sites (see attached maps for locations):

Harrison Senior Housing

The remaining eight (8) units from the age-restricted development at 774 Harrison Avenue will be applied to the Town's Third Round obligation.

Revision to the SAH/SH-Senior Zone and the AH-Affordable Housing Overlay Zone

The Town of Harrison currently has one zone and one overlay that provide a mandatory affordable housing set-aside. The existing SAH/SH Senior and Affordable Housing Zone permits age-restricted development at a density of 50 units per acre with a mandatory 20% affordable set-aside.

The AH Affordable Housing Overlay was implemented in 2009 to "facilitate and encourage the creation of Affordable Housing in the Town of Harrison within portions of the Senior Housing and Industrial zones" (Ordinance Section 17-83). The overlay allows for non-age restricted townhouses and multi-family developments at a density of up to 50 units per acre with a mandatory affordable set-aside of 20%. As an alternative to on-site construction of affordable housing, the current overlay allows the developer to donate land to the Town sufficient for a 100% affordable housing development, containing the minimum number of affordable units which the developer was required to construct on-site.

As a component of the comprehensive approach to address the Town's full obligation, the Town will revise its zoning ordinance to merge the SAH/SH Senior Zone and AH-Affordable Housing Overlay. The overlay option as well as the option to donate land will be eliminated. The new zone, "SH Senior Housing Zone," will permit the construction of age-restricted multi-family and townhouse development at a maximum density of 55 units per acre with a required set-aside of 15% for age-restricted rental projects. The new zone encompasses 12.2 acres that includes the following blocks and lots:

Block	Lot(s)
Block 89	Lots 1, 5, 6, 7, 8, 27, and 33
Block 189	Lot 1
Block 193	Lots 1, 2, 4, 5, 27, and 32
Block 198	Lot 1
Block 199	Lots 1, 5, 9, 13, 19, 20, 21, and 23
Block 202	Lot 1, 13, 17, and 21

At the proposed density, the new zone could produce 671 total units, of which a minimum of 101 affordable age-restricted rental units would be created. The Town will apply 98 of the affordable units to its Third Round obligation. Of the 98 affordable units, at least 14 will be affordable to very low-income households.

It should be noted there are 3 affordable units anticipated to be created from this zone that will not be applied during this round.

Waterfront Redevelopment Area

In 1997, 250 acres of the former industrial waterfront area in Harrison were designated as an Area in Need of Redevelopment. The zoning for three parcels within the Redevelopment Area will be revised to include a mandatory affordable housing set-aside. The Town will utilize the remaining affordable units from Site 1 as well as two additional sites from the Waterfront redevelopment area to address its Third Round obligation:

Site #1

The remaining 49 units from Site #1 will be applied to the Town's Third Round obligation.

Site #2

Site #2 is a 2.8-acre parcel (Block 103 Lot 1) located directly east of Site #1, between Second Street and Third Street. The Town will amend the Redevelopment Plan to require multi-family inclusionary development at a density of 110 units per acre with a required 15% affordable set-aside for family rental units. At this density, Site #2 could generate 308 total units, of which a minimum of 46 units would be affordable family rental. Of the 46 affordable units, at least 6 will be affordable to very low-income households.

Site #3

Site #3 is a 32.7-acre parcel (Block 78 Lot 1) located on the west side of the Redevelopment Area south of the train tracks. The site is owned by PSE&G. The Town will amend the Redevelopment Plan to require 8 of the 32.7 acres of Block 78 Lot 1 to permit multi-family inclusionary development at a density of 100 units per acre with a required 15% affordable set-aside for family rental units. At this density, the 8 acres could generate 800 total units, of which a minimum of 120 units would be affordable family rental. Of the 120 affordable units, at least 16 will be affordable to very low-income households.

Town of Harrison Round 3: 429-unit obligation			
Site	Acreage	Density/Units	Bonus Credits
Existing Senior Housing at 774 Harrison Avenue	-	8 age-restricted affordable units	-
Proposed SH Senior Housing Zone	12.2 Acres	Proposed density of 55 units per acre = 671 total units 15% set aside = 101 total age-restricted affordable units Third Round = 98 age-restricted affordable units	-
Redevelopment Area Site 1	4.3 Acres	Proposed density of 110 units per acre = 473 total units 15% set aside = 70 total affordable units Third Round = 49 affordable units	49
Redevelopment Area Site 2	2.8 Acres	Proposed density of 110 units per acre = 308 total units 15% set aside = 46 affordable units	46
Redevelopment Area Site 3	8 Acres	Proposed density of 100 units per acre = 800 total units 15% set aside = 120 affordable units	13
TOTAL		321 affordable units	108 bonus credits
TOTAL CREDITS		429	

ADDITIONAL AFFIRMATIVE MEASURES

100% Affordable Development

The redevelopment of the Holy Cross School, which is no longer being used for a school, is being considered by the Town as an additional affirmative measure. The Town would like to convert the school into a 100% affordable development of approximately 40 to 50 units. It is anticipated the project would be funded with a combination of tax credits and funds from the Town's Affordable Housing Trust Fund. These proposed 40 to 50 units are beyond Harrison's total obligation and can be applied to future obligations.

Veterans Housing

Harrison will support and encourage the construction of affordable housing for veterans.

USE OF SURPLUS UNITS

Any surplus credits generated would be applied to any future obligation that the Town may have.

ADDITIONAL REQUIREMENTS

Very Low-Income Requirement: The Town will ensure that 13% of all of the affordable units, with the exception of units constructed as of July 1, 2008 and units subject to preliminary or final site plan approval prior to that date, will be affordable to very low-income households. Half of the very low-income units will be made available to families.

Rental Bonus Credits: All rental bonus credits claimed in this plan have been applied in accordance with N.J.A.C. 5:93-5.15(d).

Low/Moderate Income Split: At least half of the units addressing the Town's obligation shall be affordable to very-low income and low-income households, and the remaining will be affordable to moderate-income households.

Rental Requirement: At least 25% of the Town's obligation will be met through rental units, and at least half of these units will be available to families.

Round 3 Family Requirement: At least half of the units addressing the Town's obligation will be available to families.

Age Restricted Cap: The Town agrees to comply with COAH's Round 2 age-restricted cap of 25%. The Town is not requesting a waiver to exceed the age-restricted cap.

Spending Plan: The Town will prepare an amended Spending Plan and will ask the Court to approve the amended Spending Plan.

Affirmative Marketing: The individual developers will be responsible to ensure that proper affirmative marketing of all of the affordable units is properly implemented.

UHAC: All affordable units created through the provisions of this Plan shall be developed in conformance with the Uniform Housing Affordability Controls (UHAC) pursuant to N.J.A.C. 5:80-26.1 et seq. or any successor legislation, with the exception of the very-low income requirement as described above.

SUMMARY OF FAIR SHARE COMPLIANCE

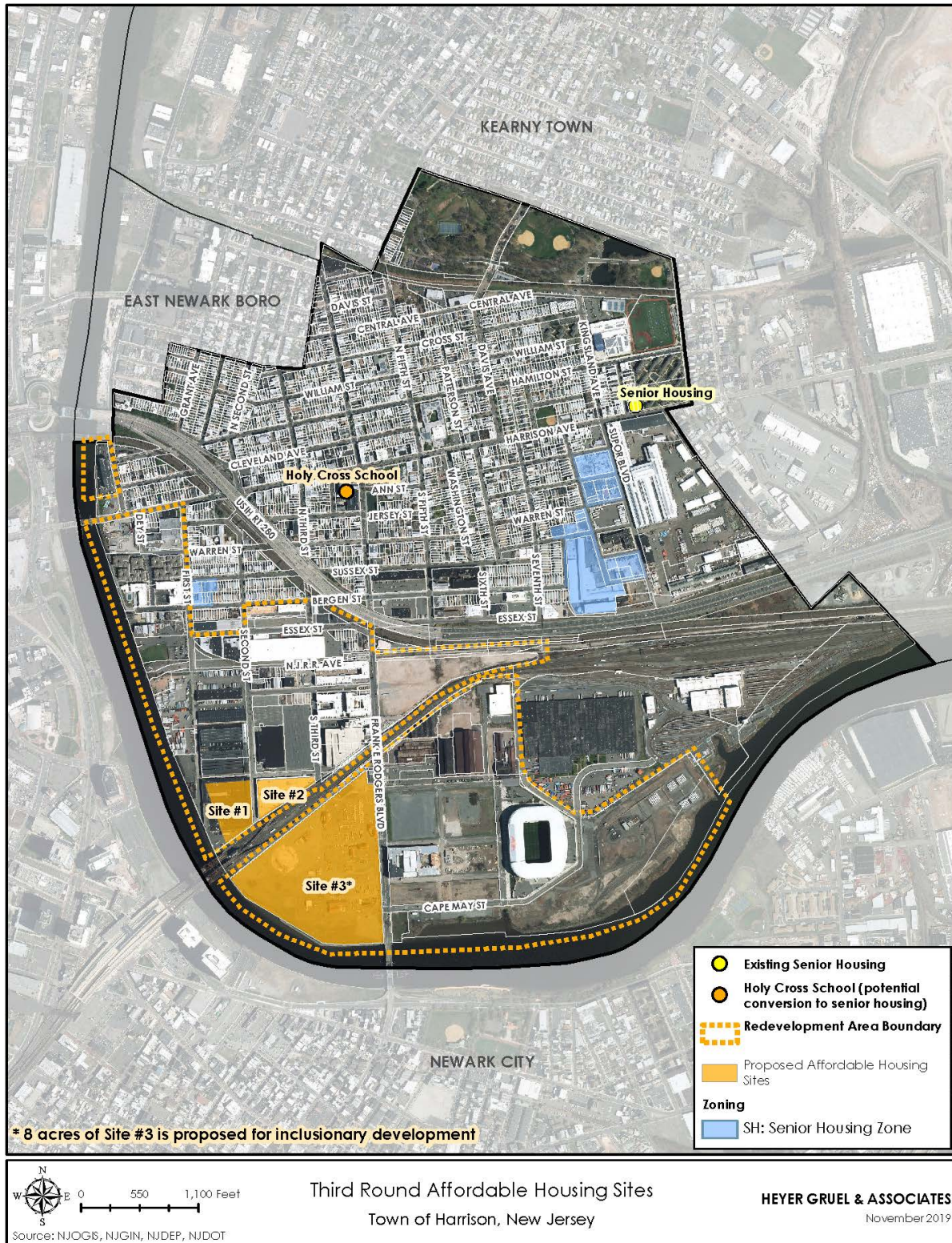
Present Need	155
The Town's Rehabilitation Program supplemented with additional monies from HOME and CDBG Programs	155
Prior Round Obligation (1987-1999)	30
Harrison Senior Housing	7
Bonus Credit	2
Waterfront Redevelopment Area Site #1	21
<i>Prior Round Total</i>	30
Third Round	429
Harrison Senior Housing	8
Proposed SH Senior Housing Zone	98
Waterfront Redevelopment Area Site #1	49
Waterfront Redevelopment Area Site #2	46
Waterfront Redevelopment Area Site #3	120
Total Affordable Units	321
Rental Bonus Credits (from Redevelopment Area sites)	108
<i>Third Round Total</i>	429
Additional Measures	-
Holy Cross School	40-50

Very-Low Breakdown

- SH Zone: 14 very low-income age-restricted units
- Site 1: 10 very low-income family units
- Site 2: 6 very low-income family units
- Site 3: 16 very low-income family units

Total affordable units constructed/to be constructed After 7/1/2008:	349		
	Required	Proposed	
13%:	46	46	
50% Required to be Family:	23	32	





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APPENDIX A

**November 12, 2019 Amended Settlement Agreement with
Fair Share Housing Center**



Peter J. O'Connor, Esq.
Kevin D. Walsh, Esq.
Adam M. Gordon, Esq.
Laura Smith-Denker, Esq.
David T. Rammler, Esq.
Joshua D. Bauers, Esq.

November 12, 2019

Gregory J. Castano, Jr., Esq.
Castano Quigley LLC
155 Passaic Ave, Suite 340
Fairfield, NJ 07004

**Re: In the Matter of the Town of Harrison, County of Hudson, Docket No.
HUD-L-2879-15**

Dear Mr Castano:

This letter memorializes the terms of an agreement reached between the Town of Harrison (the Town or "Harrison"), the declaratory judgment plaintiff, and Fair Share Housing Center (FSHC), a Supreme Court-designated interested party in this matter in accordance with In re N.J.A.C. 5:96 and 5:97, 221 N.J. 1, 30 (2015)(Mount Laurel IV) and, through this settlement, a defendant in this proceeding. This letter agreement amends and restates certain provisions of the Settlement Agreement letter dated December 2, 2018, and therefore supercedes that prior letter.

Background

Harrison filed the above-captioned matter on July 7, 2015 seeking a declaration of its compliance with the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 53:27D-301 et seq. in accordance with In re N.J.A.C. 5:96 and 5:97, *supra*. FSHC and the Town with the assistance of the court-appointed Special Master Christine Cofone, PP, AICP participated in numerous mediation sessions. Through that process, the Town and FSHC agreed to settle the litigation and to present the settlement to the trial court with jurisdiction over this matter to review, recognizing that the settlement of Mount Laurel litigation is favored because it avoids delays and the expense of trial and results more quickly in the construction of homes for lower-income households.

Settlement terms

The Town and FSHC hereby agree to the following terms:

1. FSHC agrees that the Town, through the adoption of a Housing Element and Fair Share Plan that conforms to the terms of this agreement and through the implementation of the Plan and this agreement, will satisfy its obligations under the Mount Laurel doctrine and Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq., for the Prior Round (1987-1999) and Third Round (1999-2025).
2. At this time and at this particular point in the process resulting from the Supreme Court's Mount Laurel IV decision, when fair share obligations have yet to be definitively determined, it is appropriate for the parties to arrive at a settlement regarding a municipality's Third Round present and prospective need instead of doing so through plenary adjudication of the present and prospective need.
3. FSHC and Harrison hereby agree that Harrison's affordable housing obligations are as follows:

Rehabilitation Share (per Kinsey Report ¹)	155
Prior Round Obligation (pursuant to N.J.A.C. 5:93)	30
Third Round (1999-2025) Prospective Need (per Kinsey Report, as adjusted through this settlement agreement)	429

4. For purposes of this agreement, the Third Round Prospective Need shall be deemed to include the Gap Period Present Need, which is a measure of households formed from 1999-2015 that need affordable housing, that was recognized by the Supreme Court in its January 18, 2017 decision in In re Declaratory Judgment Actions Filed By Various Municipalities, 227 N.J. 508 (Jan. 18, 2017).
5. The Town's efforts to meet its present need include the following, which is sufficient to satisfy the Town's present need obligation of 155 units: The Town will assist residents in accessing existing housing rehabilitation programs for units occupied by owners and by renters that will be funded as follows:
 - a. Development Fee Ordinance. In conformance with the Town's development fee ordinance that was adopted in 2006, and approved by COAH, developers must pay an affordable housing development fee into the Town's Affordable Housing Trust Fund (AHTF). Monies generated by the development fees will supplement the funds from the County rehabilitation programs, as detailed in paragraphs 5.a and 5.b.
 - b. The HOME Investment Partnership Program (HOME) works with communities to provide assistance in funding a wide range of affordable housing projects. The Hudson County Consortium (the "Consortium") for the HOME Program is comprised of eleven municipalities within Hudson County including the Town of Harrison. The Consortium uses the HOME funds to provide assistance of rehabilitation of very low and low income units, to increase homeownership opportunities for very low and low-income individuals and families, and to increase the supply of affordable rental units. Harrison will address its rehabilitation obligation in part by applying for funding from the HOME program as administered by the Consortium.
 - c. Community Development Block Grant (CDBG) program. The Town will also apply for funds from the Community Development Block Grant (CDBG) program. Hudson County, along with seven of its municipalities, including the Town of Harrison, receives CDBG funds on an entitlement basis as an Urban County Consortium. The CDBG program provides funding to communities, non-profits, and public agencies to help address a range of development needs, mainly involving affordable housing projects and developments. The Town agrees to apply for funding from the CDBG program to subsidize the rehabilitation of substandard units within the Town.

¹ David N. Kinsey, PhD, PP, FAICP, NEW JERSEY LOW AND MODERATE INCOME HOUSING OBLIGATIONS FOR 1999-2025 CALCULATED USING THE NJ COAH PRIOR ROUND (1987-1999) METHODOLOGY, May 2016.

6. As noted above, the Town has a Prior Round prospective need of 30 units, which is met through the following compliance mechanisms:

Compliance Mechanism	Units	Bonus
15-unit senior housing development, 774 Harrison Avenue by Domus Corporation, a nonprofit branch of Catholic Charities (eligible for .33 senior rental bonus)	7 age-restricted affordable units	2
Redevelopment Area Site 1: Inclusionary zoning on Block 86, Lot 1.01, 70 family rental units, 4.3 Acres, of which 21 will meet part of the Prior Round obligation.	Density of 110 units per acre = 473 total units 15% set-aside = 70 total affordable units 21 affordable units applied to Prior Round	-
Total Affordable Units/Bonuses	28	2
Total	30	

7. The Town has implemented or will implement the following mechanisms to address its Third Round prospective need of 429 units, as illustrated in the attached map, Exhibit A, to this agreement:

Compliance Mechanism	Density/units	Rental Bonuses
15-unit senior housing development, 774 Harrison Avenue by Domus Corporation, a nonprofit branch of Catholic Charities	8 age-restricted affordable units	-
SH Senior Housing Zone: Block 89 Lots 1, 5, 6, 7, 8, 27, and 33; Block 189 Lots 1 and 19; Block 193 Lots 1, 2, 4, 5, 27, and 32; Block 198 Lot 1; Block 199 Lots 1, 5, 9, 13, 19, 20, 21, and 23; and Block 202 Lots 1, 13, 17, and 21 This zone provides a realistic opportunity through the provision of a permitted residential density of 55 units per acre.	Density of 55 units per acre = 671 total units 15% set-aside = 101 total age-restricted affordable units 98 age-restricted affordable units applied to Third Round	-
Redevelopment Area Site 1: Inclusionary zoning on Block 86, Lot 1.01, 70 affordable family rental units, 4.3 Acres, of which 49 will meet part of the Third Round obligation.	Density of 110 units per acre = 473 total units 15% set aside = 70 affordable units – Prior Round 21 units 49 affordable units applied to Third Round	49
Redevelopment Area Site 2: Inclusionary zoning on Block 103, Lot 1, 2.8 Acres, 46 affordable family rental units	Density of 110 units per acre = 308 total units 15% set aside =	46

	46 affordable units	
Redevelopment Area Site 3: Inclusionary zoning on part of Block 78, Lot 1, 8 Acres, 120 affordable family rental units	Density of 100 units per acre = 800 total units 15% set aside = 120 affordable units	13
Total Affordable Units/Bonuses	321	108
Total Credits	429	

The current zoning permits affordable housing obligations to be met through the donation of land instead of the provision of on-site affordable housing. Harrison agrees to revise the applicable ordinance in accordance with this agreement to remove the option of providing land instead of on-site units so that the only option for compliance with the affordable housing obligation in this zone will be the provision of on-site age-restricted affordable housing units.

8. The Town will support the development of additional affordable housing that will be developed or created through means other than inclusionary zoning in the following ways:

The Holy Cross School: The Town agrees to adopt the appropriate zoning and if necessary, a Payment In Lieu of Taxes (PILOT) to ensure this project is financially feasible. The Town is not obligated to provide funding for this site in order to meet its Third Round prospective need. In the event subsidies are available to support the development of this site, approximately 50 senior affordable units are anticipated to be developed. These units will be carried forward and credited toward the municipality's future affordable housing obligations in accordance with then-applicable law.

9. The Town agrees to require 13% of all units referenced in this agreement, with the exception of units constructed as of July 1, 2008, and units subject to preliminary or final site plan approval as of that date, to be very low income units, with at least half of the very low income units being available to families. The municipality will satisfy this obligation by ensuring through the adoption of necessary ordinances that all of the developments referenced in this agreement include at least 13% very low income housing.
10. The Town shall meet its Third Round Prospective Need in accordance with the following standards:
 - a. Third Round bonuses will be applied in accordance with N.J.A.C. 5:93-5.15(d).
 - b. At least 50 percent of the units addressing the Third Round Prospective Need shall be affordable to very-low-income and low-income households with the remainder affordable to moderate-income households.
 - c. At least twenty-five percent of the Third Round Prospective Need shall be met through rental units, including at least half in rental units available to families.
 - d. At least half of the units addressing the Third Round Prospective Need in total must be available to families.

- e. The Town agrees to comply with an age-restricted cap of 25% and to not request a waiver of that requirement. This shall be understood to mean that in no circumstance may the municipality claim credit toward its fair share obligation for age-restricted units that exceed 25% of all units developed or planned to meet its cumulative prior round and third round fair share obligation.
11. The Town shall add to the list of community and regional organizations in its affirmative marketing plan, pursuant to N.J.A.C. 5:80-26.15(f)(5), Fair Share Housing Center, the New Jersey State Conference of the NAACP, the Latino Action Network, and NAACP Jersey City Branch, Bergen County NAACP, Newark NAACP, and the Supportive Housing Association of New Jersey, and shall, as part of its regional affirmative marketing strategies during its implementation of this plan, provide notice to those organizations of all available affordable housing units. The Town also agrees to require any other entities, including developers or persons or companies retained to do affirmative marketing, to comply with this paragraph.
12. All units shall include the required bedroom distribution, be governed by controls on affordability and affirmatively marketed in conformance with the Uniform Housing Affordability Controls, N.J.A.C. 5:80-26.1 et. seq. or any successor regulation, with the exception that in lieu of 10 percent of affordable units in rental projects being required to be at 35 percent of median income, 13 percent of affordable units in such projects shall be required to be at 30 percent of median income, and all other applicable law. The Town as part of its Housing Element and Fair Share Plan shall adopt and/or update appropriate implementing ordinances in conformance with standard ordinances and guidelines developed by COAH to ensure that this provision is satisfied.
13. All new construction units shall be adaptable in conformance with P.L.2005, c.350/N.J.S.A. 52:27D-311a and -311b and all other applicable law.
14. As an essential term of this settlement, within one hundred and twenty (120) days of this amended Settlement Agreement, the Town shall introduce and adopt a revised Housing Element and Fair Share Plan in accordance with the terms of this settlement agreement and an ordinance or ordinances providing for the amendment of the Town's Affordable Housing Ordinance and Zoning Ordinance to implement the terms of this settlement agreement and the zoning contemplated herein. The Housing Element and Fair Share Plan shall include a chart sharing how the Town will meet its overall very low income/low income/moderate income split.
15. The parties agree that if a decision of a court of competent jurisdiction in Hudson County, or a determination by an administrative agency responsible for implementing the Fair Housing Act, or an action by the New Jersey Legislature, would result in a calculation of an obligation for the Town for the period 1999-2025 that would be lower by more than twenty (20%) percent than the total prospective Third Round need obligation established in this agreement, and if that calculation is memorialized in an unappealable final judgment, the Town may seek to amend the judgment in this matter to reduce its fair share obligation accordingly. Notwithstanding any such reduction, the Town shall be obligated to adopt and implement the Housing Element and Fair Share Plan required by this agreement, including by adopting or leaving in place any site specific zoning adopted required by this agreement; taking all steps necessary to support the development of any 100% affordable developments referenced herein; and otherwise fulfilling fully the fair

share obligations as established herein. The reduction of the Town's obligation below that established in this agreement does not provide a basis for seeking leave to amend this agreement or seeking leave to amend an order or judgment pursuant to R. 4:50-1. If the Town prevails in reducing its prospective need for the Third Round, the Town may carry over any resulting extra credits to future rounds in conformance with the then-applicable law.

16. As part of the compliance phase of this litigation, the Town will prepare and file with the court a spending plan. FSHC reserves the right to object to or comment on the spending plan. The parties to this agreement contemplate that the element of the spending plan will constitute a "commitment" for expenditure pursuant to N.J.S.A. 52:27D-329.2 and - 329.3, with the four-year time period for expenditure designated pursuant to those provisions beginning to run with the entry of a final judgment approving this settlement in accordance with the provisions of In re Tp. Of Monroe, 442 N.J. Super. 565 (Law Div. 2015) (aff'd 442 N.J. Super. 563). On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of this agreement, the Town agrees to provide annual reporting of trust fund activity to the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services, or other entity designated by the State of New Jersey, with a copy provided to Fair Share Housing Center and posted on the municipal website, using forms developed for this purpose by the New Jersey Department of Community Affairs, Council on Affordable Housing, or Local Government Services. The reporting shall include an accounting of all housing trust fund activity, including the source and amount of funds collected and the amount and purpose for which any funds have been expended.
17. The Town agrees to pay FSHC in the amount of \$2,000.00 within 10 days of the trial court entering an order approving this settlement agreement.
18. On the first anniversary of the execution of this agreement, and every anniversary thereafter through the end of the period of protection referenced in this agreement, the Town agrees to provide annual reporting of the status of all affordable housing activity within the municipality through posting on the municipal website with a copy of such posting provided to Fair Share Housing Center, using forms previously developed for this purpose by the Council on Affordable Housing or any other forms endorsed by the Special Master and FSHC.
19. The Fair Housing Act includes two provisions regarding action to be taken by the Town during the ten-year period of protection provided in this agreement. The Town agrees to comply with those provisions as follows:
 - a. For the midpoint realistic opportunity review due on July 1, 2020, as required pursuant to N.J.S.A. 52:27D-313, the Town will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its implementation of its Plan and an analysis of whether any unbuilt sites or unfulfilled mechanisms continue to present a realistic opportunity and whether any mechanisms to meet unmet need should be revised or supplemented. Such posting shall invite any interested party to submit comments to the municipality, with a copy to Fair Share Housing Center, regarding whether any sites no longer present a realistic opportunity and should be replaced and whether any mechanisms to meet unmet need should be revised or supplemented. Any interested party may by motion request a hearing before the court regarding these issues.

- b. For the review of very low income housing requirements required by N.J.S.A. 52:27D-329.1, within 30 days of the third anniversary of this agreement, and every third year thereafter, the Town will post on its municipal website, with a copy provided to Fair Share Housing Center, a status report as to its satisfaction of its very low income requirements, including the family very low income requirements referenced herein. Such posting shall invite any interested party to submit comments to the municipality and Fair Share Housing Center on the issue of whether the municipality has complied with its very low income housing obligation under the terms of this settlement.
20. FSHC is hereby deemed to have party status in this matter and to have intervened in this matter as a defendant without the need to file a motion to intervene or an answer or other pleading. The parties to this agreement agree to request the Court to enter an order declaring FSHC is an intervenor, but the absence of such an order shall not impact FSHC's rights.
21. This settlement agreement must be approved by the Court following a fairness hearing as required by Morris Cty. Fair Hous. Council v. Boonton Twp., 197 N.J. Super. 359, 367-69 (Law Div. 1984), aff'd o.b., 209 N.J. Super. 108 (App. Div. 1986); East/West Venture v. Borough of Fort Lee, 286 N.J. Super. 311, 328-29 (App. Div. 1996). Such a fairness hearing took place on August 23, 2017 subject only to the final execution of this Agreement and the parties agree that that fairness hearing provided sufficient process for the court to approve this agreement. In the event the Court approves this proposed settlement, the parties contemplate the municipality will receive "the judicial equivalent of substantive certification and accompanying protection as provided under the FHA," as addressed in the Supreme Court's decision in In re N.J.A.C. 5:96 & 5:97, 221 N.J. 1, 36 (2015). The "accompanying protection" shall remain in effect through July 1, 2025. If the settlement agreement is rejected by the Court at a fairness hearing it shall be null and void.
22. If an appeal is filed of the Court's approval or rejection of the Settlement Agreement, the Parties agree to defend the Agreement on appeal, including in proceedings before the Superior Court, Appellate Division and New Jersey Supreme Court, and to continue to implement the terms of the Settlement Agreement if the Agreement is approved before the trial court unless and until an appeal of the trial court's approval is successful at which point, the Parties reserve their right to rescind any action taken in anticipation of the trial court's approval. All Parties shall have an obligation to fulfill the intent and purpose of this Agreement.
23. This settlement agreement may be enforced through a motion to enforce litigant's rights or a separate action filed in Superior Court, Hudson County. A prevailing movant or plaintiff in such a motion or separate action shall be entitled to reasonable attorney's fees.
24. Unless otherwise specified, it is intended that the provisions of this Agreement are to be severable. The validity of any article, section, clause or provision of this Agreement shall not affect the validity of the remaining articles, sections, clauses or provisions hereof. If any section of this Agreement shall be adjudged by a court to be invalid, illegal, or unenforceable in any respect, such determination shall not affect the remaining sections.
25. This Agreement shall be governed by and construed by the laws of the State of New Jersey.

26. This Agreement may not be modified, amended or altered in any way except by a writing signed by each of the Parties.
27. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Agreement.
28. The Parties acknowledge that each has entered into this Agreement on its own volition without coercion or duress after consulting with its counsel, that each party is the proper person and possess the authority to sign the Agreement, that this Agreement contains the entire understanding of the Parties and that there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
29. Each of the Parties hereto acknowledges that this Agreement was not drafted by any one of the Parties, but was drafted, negotiated and reviewed by all Parties and, therefore, the presumption of resolving ambiguities against the drafter shall not apply. Each of the Parties expressly represents to the other Parties that: (i) it has been represented by counsel in connection with negotiating the terms of this Agreement; and (ii) it has conferred due authority for execution of this Agreement upon the persons executing it.
30. Any and all Exhibits and Schedules annexed to this Agreement are hereby made a part of this Agreement by this reference thereto. Any and all Exhibits and Schedules now and/or in the future are hereby made or will be made a part of this Agreement with prior written approval of both Parties.
31. This Agreement constitutes the entire Agreement between the Parties hereto and supersedes all prior oral and written agreements between the Parties with respect to the subject matter hereof except as otherwise provided herein.
32. No member, official or employee of the Town shall have any direct or indirect interest in this Settlement Agreement, nor participate in any decision relating to the Agreement which is prohibited by law, absent the need to invoke the rule of necessity.
33. Anything herein contained to the contrary notwithstanding, the effective date of this Agreement shall be the date upon which all of the Parties hereto have executed and delivered this Agreement.
34. All notices required under this Agreement ("Notice[s]") shall be written and shall be served upon the respective Parties by certified mail, return receipt requested, or by a recognized overnight or by a personal carrier. In addition, where feasible (for example, transmittals of less than fifty pages) shall be served by facsimile or e-mail. All Notices shall be deemed received upon the date of delivery. Delivery shall be affected as follows, subject to change as to the person(s) to be notified and/or their respective addresses upon ten (10) days notice as provided herein:

TO FSHC:

Kevin D. Walsh, Esq.
Fair Share Housing Center
510 Park Boulevard
Cherry Hill, NJ 08002
Phone: (856) 665-5444
Telecopier: (856) 663-8182
E-mail: kevinwalsh@fairsharehousing.org

TO THE TOWN:

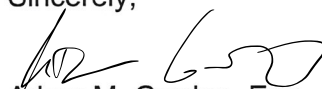
Gregory J. Castano Jr.
Castano Quigley, LLC
155 Passaic Avenue
Fairfield, NJ 07004
Telecopier: 973-808-8480
Email: gcastano@cq-law.com

**WITH A COPY TO THE
MUNICIPAL CLERK:**

Town of Harrison Clerk
318 Harrison Avenue
Harrison, NJ 07029
Telecopier: (973) 482-2101

Please sign below if these terms are acceptable.

Sincerely,



Adam M. Gordon, Esq.
Counsel for Intervenor/Interested Party
Fair Share Housing Center

On behalf of the Town of Harrison, with the authorization
of the governing body and ~~Planning Board~~:

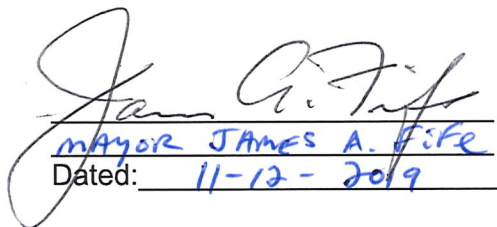

MAYOR JAMES A. FIFE
Dated: 11-12-2019

EXHIBIT A: MAP OF INCLUSIONARY REDEVELOPMENT



TOWN OF HARRISON

Meeting Date: 11/12/2019

Resolution #: R-2019-191



HUDSON COUNTY

Committee: Finance

Presented by Councilperson:
Carol Mandaglio

A RESOLUTION AUTHORIZING AND APPROVING AN AMENDED SETTLEMENT AGREEMENT RELATING TO THE TOWN'S AFFORDABLE HOUSING OBLIGATIONS

WHEREAS: Pursuant to the 2015 New Jersey Supreme Court Decision In re: N.J.A.C. 5:96 and 5:97, 221 NJ 1 § (2015) commonly referred to as the "Mount Laurel IV Decision", the Court essentially negated the role of the New Jersey Council on Affordable Housing ("COAH") and set a procedure for court approval of municipal affordable housing fair share plans; and

WHEREAS: Pursuant to the Mount Laurel IV Decision, the Town filed a Declaratory Judgment Action, entitled In the Matter of the Application of the Town of Harrison County of Hudson, Docket No. HUD-L-2879-15 and the Fair Share Housing Center was a court designated interested party in that action; and

WHEREAS: By Resolution dated November 29, 2018, the Town approved the terms of a settlement of the issues raised in the Mount Laurel Litigation and agreed to the terms of the Town's fair share plan through 2025; and

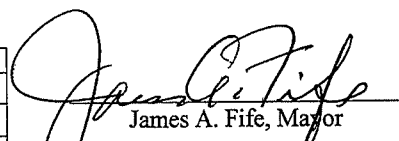
WHEREAS: The Town, through its planners, subsequently negotiated certain revisions to the settlement agreement so that the Town could maximize senior citizen affordable housing units; and

WHEREAS: The terms of the amended settlement agreement are set forth in the attached Letter Agreement.

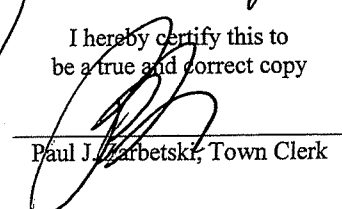
NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Harrison, Hudson County, New Jersey, as follows:

THAT: The Mayor or Town Administrator is authorized to execute the amended settlement agreement substantially in the form attached hereto and to execute any other document necessary to effectuate the terms of the settlement.

Town Council	Moved	Seconded	Yes	No	Abstain	Absent
L. BENNETT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
M. DOLAGHAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. DORAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
J. HUARANGA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. MANDAGLIO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. MENDOZA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. NASCIMENTO	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. VILLALTA	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. FIFE	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


James A. Fife, Mayor

I hereby certify this to
be a true and correct copy


Paul J. Zarbetski, Town Clerk

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APPENDIX B

HOME Funded Projects in the Town of Harrison

Active projects who have received funding from HOME Investment Partnership Program
Provided by the Hudson County Division of Housing & Community Development

MUNICIPALITY	ADDRESS	PROJECT SPONSOR	Total Units	STATUS	Length of Affordability	Year Affordability Ends
Harrison	774 Harrison Avenue	DOMUS	15	Complete	20	2036

APPENDIX C

Harrison Senior Housing Documentation



*Paralegal
Lisa*

Richard E. Constable, III
Chairman

Anthony L. Marchetta
Executive Director

September 17, 2013

Domus Corporation
Mr. Phillip Frese, President
590 North 7th Street
Newark, NJ

Re: HMFA #02756
Harrison Senior Housing
Harrison / Hudson County
Subsidy Mortgage Loan Commitment

Dear Mr. Frese:

I am pleased to advise you that the members of the New Jersey Housing and Mortgage Finance Agency at the public meeting of August 29, 2013 approved a subsidy mortgage loan commitment for construction and permanent financing for the above-captioned project. At the time of the meeting, the mortgage was estimated to be \$1,800,000 at an interest rate of 0% during construction and a 1% interest rate at permanent rollover for a term of 30 years (the "Board Item" attached).

Further, this commitment is subject to the terms and conditions of the Fund for Restoration of Multifamily Housing ("FRM") Program Guidelines dated August 2, 2013, as may be amended and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time and enclosed herein. Finally, please note that receipt of this mortgage loan commitment is predicated on the application, as approved, accurately reflecting the Project and its financial needs. This award letter shall serve as notice to you that in order to retain such award, you have an affirmative obligation to advise the Agency of any changes to any aspect of the Project, as well as your compliance with all Agency mortgage loan requirements.

Please note that the following special conditions must also be addressed prior to closing:

1. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.
2. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

637 South Clinton Avenue ▲ P.O. Box 18550 ▲ Trenton, NJ 08650-2085

TELEPHONE: (609) 278-7400 ▲ WEB: www.nj-hmfa.com

execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.

3. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.
4. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.
5. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Agency's the FRM Program Guidelines dated August 2, 2013, as may be amended, and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.
6. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.
7. Submission, verification and compliance with the Agency's requirement for construction completion guarantees (*100% Payment and Performance Bond for Agency construction loans and Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans*), including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.
8. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.
9. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.
10. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.

HMFA #02756 - Harrison Senior
Harrison / Hudson County
Subsidy Mortgage Loan Commitment
Page 3


In accordance with those guidelines, you are hereby requested to sign and return this commitment letter within 30 days after the ten-day Governor's veto period. If the signed commitment letter is not received by October 16, 2013 this commitment will become null and void.

The commitment expiration date is December 31, 2013. If closing of this project has not occurred by December 31, 2013, the Executive Director may extend the mortgage commitment for two additional consecutive 90-day periods. A commitment extension must be requested in writing to the attention of Marisol Rodriguez, Director of Multifamily Programs and Lending. This request must include justification for the extension.

The borrower is responsible for satisfaction of the conditions set forth in the commitment. *In addition, the borrower is responsible for advising the Agency of any increases in project development costs not covered in the projected costs at the time of commitment and any changes to sources of funds other than Agency financing.* This commitment letter summarizes the terms and conditions of the mortgage loan commitment being offered by the Agency. The full terms and conditions are set forth in the attached Request For Action By Members of the New Jersey Housing and Mortgage Finance Agency, which was approved by a Resolution of the Members at its August 29, 2013 meeting. Your execution of this commitment as adopted signifies acceptance of the mortgage commitment as adopted by that Resolution.

If you have any questions regarding the above, please do not hesitate to contact Donna Spencer of my staff at (609) 278-7622.

Sincerely,


Anthony J. Marchetta
Executive Director

Enclosures

Terms and Conditions Accepted by:

Sponsor's Signature

Date

c Stuart Portney
242 Tenth Street, Suite 103
Jersey City, NJ

RESOLUTION OF THE NEW JERSEY HOUSING AND
MORTGAGE FINANCE AGENCY REGARDING APPROVAL OF A
SUBSIDY MORTGAGE LOAN COMMITMENT FOR THE
PROJECT KNOWN AS HARRISON SENIOR, HMFA #02756

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 29TH OF AUGUST 2013 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

Section 3. This resolution shall take effect immediately upon expiration of the ten(10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten(10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Charles Richman, designee for Richard E. Constable, III	X				
Susan Fischer	X				
David Moore	X				
Cathy Boland	X				
Thomas Hunt	X				
Monsignor Linder	X				
Dorothy Blakeslee	X				
Patricia Mueller	X				
Stanley Weeks	X				

CERTIFICATE

I, Claudia Lovas, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 29th day of August, 2013 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Agency this 29th day of August 2013.

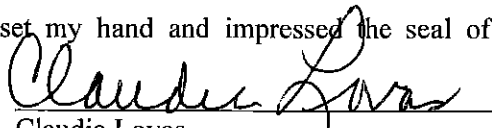

 Claudia Lovas
 Assistant Secretary

Exhibit A

Harrison Senior
Harrison, Hudson County
HMFA #02756
Developer: Domus Corporation
of Units: 15
Population: Senior

August 29, 2013

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

1. Approval of a subsidy mortgage loan commitment for an estimated \$1,800,000 in Construction and Permanent financing from the Fund for Restoration of Multifamily Housing ("FRM") Program for a project known as Harrison Senior Housing, HMFA #02756 (the "Project") pursuant to the FRM Program Guidelines.

Issues, Comments and Related Actions:

Pursuant to the authorizing statute of the CDBG program, each activity funded must meet a national objective and be an eligible activity. This Project is eligible because it meets the low/mod income (LMI) housing activity by providing permanent residential structures, which, upon completion, will be occupied by LMI households.

New Issues

It is anticipated that construction will begin in December 2013 and be completed by September 2014.

Prior to the availability of FRM funds the project funding sources included an Agency construction loan, low income tax credit equity (LIHTC), County HOME Funds and Harrison AHTF to complete construction. Since the Sponsor has not been able to secure a Syndicator for LIHTC the project can be completed with FRM funds and the other committed sources.

Prior Board Approval

On June 28, 2012 the Agency Board approved a DOI for construction financing.

Prior to the availability of FRM funds the project funding sources included an Agency construction loan, low income tax credit equity, County HOME Funds and Harrison AHTF to complete construction. Since the Sponsor has not been able to secure a Syndicator for low income housing tax credits costs and construction loan costs the project can be completed with FRM funds and the other committed sources.

The Applicant/Developer

Domus Corporation, located in Newark, New Jersey is the developer and applicant for the project's financing.

Domus Corporation is an affiliate of Catholic Charities of the Archdiocese of Newark. It is a nonprofit housing development corporation founded in 1995. Its mission is to develop affordable housing and provide support services within Bergen, Essex, Hudson and Union counties. They have developed and manage several affordable housing projects in North Jersey, including housing for the homeless, disabled and seniors including Kearny Senior Residence, Kearny, St Mary's Senior Residence, Dumont and Sunrise House, Newark. They have one tax credit project in the Agency portfolio, Bramhall Avenue Apartments, LITC #520.

The Sponsor/Borrower

The applicant for the project's financing will form a limited partnership known as Harrison Senior Urban Renewal, L.P such entity to be called below the "Sponsor" and/or "Borrower". Harrison Senior Urban Renewal, Inc will be the General Partner with a 0.01% interest of Harrison Senior Urban Renewal, L.P. Domus Corporation will be the limited partner and hold a 99.99% interest of the Borrower. The principles of Domus Corporation are Phillip Frese, President and John Westervelt, Vice President/ Treasurer.

Acquisition

On September 6, 2011, Domus Corporation has entered into a Sales and Purchase Agreement with the Town of Harrison for the property Lot 6, Block 50.02. On May 7, 2013 a resolution was passed that extended the contract until October 15, 2013. The Town will convey the property for \$1.00 subject to Domus developing an affordable senior housing project. Domus has assigned the sales agreement to the Borrower.

Per the appraisal report dated February 7, 2013, the land value of the property is \$350,000.

HMFA recognizes the lesser of the appraised value or the purchase price of the realty in the last arm's length transaction. For the proposed project, \$1 is recognized for acquisition costs.

The Project

The proposed Harrison Senior Project is located at 774 Harrison Avenue and when complete will provide 15 units of affordable senior rental units on a 0.1 acre site in a residential neighborhood. Domus plans on developing a four (4) story elevator serviced facility with fifteen (15) one bedroom units designed for very low income and moderate income seniors and frail elderly. The proposed net rents for the apartments range from \$560-705 per month. Fourteen of the proposed 15 living units will meet or exceed 600 sf. A living unit on the first floor at the rear of the building will be 525 sf. The reason for this is reduction in living unit area is to accommodate an exit hallway from the adjacent egress stairway to the outside. The reduction in area still results in a livable 1 bedroom

apartment in terms of furnishability, layout and storage. Exterior windows are consistent with all other living units. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1,600 square foot community room and garbage/recycling centers on each floor. Onsite services will include: needs assessment and case management, a medical screening program, job training and job placement. For the purposes of the FRM Program financing, the Sponsor must comply with Energy Star requirements.

The project will utilize pre-manufactured wood framed modular construction. This type of construction was utilized for several reasons.

- The site is very tight with very little room for on-site storage or staging of materials.
- The adjacent street, Harrison Avenue, is busy and limiting traffic due to construction activity would be impractical.
- Immediately adjacent to the proposed building is another residential building as well as many other residential buildings on adjacent sites. Modular construction would minimize construction noise and the duration of construction.
- Good quality products both in terms of materials and workmanship.
- All aspects of both green design features and Energy Star requirements can be achieved with the use of 'modular' living unit type construction.

The project is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation. The township has agreed to convey the land for a nominal fee and will grant long term tax abatement.

Utilities

The utilities are individually metered and the tenants will be paying for the heat, hot water services provided by gas and all electric services.

Market Analysis

The Town of Harrison has experienced a significant change after the waterfront it was declared an area redevelopment in 1997, including the development of Red Bull Soccer a Stadium a new hotel, market rate development, PATH Station improvements and clean up of former industrial sites. The goal is to transform the area from its former industrial base to a mixed use transit orientated area. The population and property values in Harrison are expected to increase. The market for affordable senior housing in the Town of Harrison is under supplied and the capture rate is a favorable 3.2%, as the appraisal report dated February 5, 2013.

FRM Financing

The mortgage is currently estimated to be \$1,800,000 at a 0% interest rate during construction and a 1% interest rate at permanent rollover for a term of 30 years. Secured by a first mortgage lien, if obtainable, or a subordination as a mortgage lien on Project real estate and security interest in personal property included in the Project. The loan will be repaid from 50% of the available cash flow.

Escrow Requirements

Working Capital	The Multifamily program guidelines require that a debt service and operating expense reserve be established in the amount of \$22,245 to be held by the Agency.
Insurance	The Multifamily program guidelines require that a one half-year insurance reserve be established in the amount of \$6,360 to be held by the Agency.
Taxes	The Multifamily program guidelines require that a one quarter-year tax reserve be established in the amount of \$1,814 to be held by the Agency.

Other Funding Sources

Hudson County HOME Funds	the sponsor received a commitment for HOME Funds from Hudson County in the amount of \$1,465,486 on April 2, 2012.
Harrison Affordable Housing Trust Fund (AHTF)	On April 2, 2012, the sponsor received a commitment from the Town of Harrison in the amount of \$509,000.
Deferred Developer Fee	The Sponsor will provide deferred developer fee in the aggregate amount of \$104,526 during construction of which \$103,607 is anticipated to be paid at permanent take-out, leaving \$919 in the deal. Collection of the deferred developer fee will come from cash flow <u>by way of return on equity.</u>

Terms and Conditions

Duplication of Benefits:	These funds are being used only to the extent that a disaster recovery need has not been fully met. Disaster assistance may come in the form of donations, insurance proceeds, volunteer work, and state and local funds. It also includes assistance received from FEMA, the SBA, or the U.S. Army Corps of Engineers.
Borrower:	Harrison Senior Urban Renewal, L.P, such entity to be called below the "Sponsor." This commitment includes authorization for changes to the name and/or organizational structure of the Borrower entity, provided such changes are acceptable to Agency staff and the Attorney General's Office.

Affordability Controls: For FRM subsidy purposes, the Sponsor shall incorporate contractual guarantees and procedures to ensure that any unit of housing provided for low- and moderate-income households shall be occupied by low- and moderate-income households whose income is 80% or less than the AMI for at least 30 years.

Commitment and
Expiration Date:

This commitment will expire on December 31, 2013; however, the Executive Director is hereby authorized to extend the commitment for two additional consecutive 90-day periods, if the Executive Director deems appropriate.

Mortgage Loan Commitment conditions:

1. Satisfactory compliance with the Fund for Restoration of Multifamily Housing ("FRM") Program Guidelines dated July 17, 2013, as may be amended and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.
2. Approval by the Attorney General's Office of any documents needed to implement any action requirements, as requested.
3. The ability of the Project and the Sponsor to comply with federal tax laws and/or other applicable State and federal statutory and regulatory requirements.
4. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.
5. Receipt of firm commitments from all other funding sources needed to complete the Project in form and substance satisfactory to Agency staff including, but not limited to, the construction lender's commitment.
6. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.

Closing conditions:

1. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Fund for Restoration of Multifamily Housing ("FRM") Program Guidelines dated July 17, 2013, as may be amended.
2. Receipt of satisfactory soils test and survey in accordance with Agency standards; approval of Corporate Certification and Questionnaire.
3. The Sponsor agrees that the Project shall comply with all applicable federal and/or state statutory and regulatory requirements concerning the payment of prevailing wages. The Sponsor is responsible for obtaining all applicable prevailing wage rates from the State or federal source where such rates are provided.
6. Submission, verification and compliance with the Agency's requirement for construction completion guarantees (*100% Payment and Performance Bond for Agency construction loans and Letter of Credit equal to 10% of the construction cost or Warranty Bond equal to 30% of construction cost for Agency permanent loans*), including evidence that such construction completion guarantee will remain in place for a term of two (2) years from the date of issuance of the certificate of occupancy or architect's certificate of substantial completion for the Project, whichever is issued later.
7. Releases from all contractors, subcontractors and suppliers indicating that they have been paid in full and, therefore, will not place a lien on the Project, or other assurances or provisions, satisfactory to Agency staff and consistent with Agency first lien requirements, ensuring against the attachment, or otherwise securing the discharge of any construction lien.
8. The Agency authorizes its staff at its sole discretion to dictate the Construction Draw Schedule of Agency financing based on (1) pro rata apportionment of funds, (2) pari passu distribution or (3) the Agency financing being the last funding source disbursed during the construction period.
9. Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. A violation of this provision may result in the denial of funds.
10. Submission, verification and compliance with all Agency closing requirements including, but not limited to, insurance coverage naming the Agency as set forth in the Agency's the FRM Program Guidelines dated July 17, 2013, as may be amended, and with all applicable federal Community Development Block Grant-Disaster Recovery statutes and regulations, as may be amended from time to time.

New Jersey Housing and Mortgage Finance Agency
Multifamily Programs & Credit Division
Project Report
Harrison Senior Housing, HMFA #02756
Town of Harrison, Hudson County

Block No. 50.02
Lot Nos. 6

Legislative District: 32
Congressional District: 13
Census Tract: 135

Development Team:

Developer/Applicant: Domus Corporation
Phillip Frese, President,
590 North 7th Street
Newark, NJ
973-596-3984

Sponsor/Borrower Entity: Harrison Senior Housing Urban Renewal LP
590 North 7th Street
Newark, NJ
973-596-3984

Principals: Phillip Frese, President
590 North 7th Street
Newark, NJ
973-596-3984

John Westervelt, Vice President/Treasurer
590 North 7th Street
Newark, NJ
973-596-3984

Contact: The Metro Company LLC
Stuart Portney
242 Tenth Street, Suite 103
Jersey City, NJ
201-435-6500

Architect: Steven S Cohen Architect PC
63 Moran Avenue
Princeton, NJ 08542
609-924-6560

Attorney: Harold Law PA
25 Independence Boulevard
Warren NJ 07059
908-648-1022

General Contractor: Del –Sano Contracting Corp
2037 Morris Avenue
Union, NJ
908-688-8891

Managing Agent: Raymond P Marzulli Company
264 Belleville Avenue
Bloomfield, NJ 07003
973-743-3769

Social Service Provider: Catholic Charities
Phillip Frese
590 North 7th Street
Newark, NJ
973-596-3984

Clearances and Disclosures: All required disclosures will be submitted prior to project funding.

Site Control: The limited partner has a Sales and Purchase Agreement for the subject property with the Borrower.

Zoning: The property has been zoned for the proposed use prior to project funding.

Utilities: All utilities will be available to the site.

Land Valuation: Has been determined in accordance with Agency standards.

Taxes: Tax abatement has been granted in accordance with the Long Term Tax Abatement Law.

Environmental: Completion of the federal environmental review and receipt by the Agency of an executed "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter. Physical or choice limiting actions are prohibited, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction or leasing or disposition prior to the execution of the "Authority to Use Grant Funds" (HUD 7015.16) or equivalent letter.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	\$1	(\$0/DU)	(\$0/SF)
Construction Costs (Including Contractor Fee)	\$2,546,493	(\$169,766/DU)	(\$155/SF)
Contingencies	\$132,748	(\$8,850/DU)	(\$8/SF)
Developer Fee	\$419,600	(\$27,973/DU)	(\$26/SF)
Professional Fees	\$385,500	(\$25,700/DU)	(\$23/SF)
Carrying, Financing Costs	\$156,802	(\$10,453/DU)	(\$10/SF)
Other Charges	<u>\$134,261</u>	<u>(\$8,951/DU)</u>	<u>(\$8/SF)</u>
TOTAL DEVELOPMENT COST	\$3,775,405	(\$251,694/DU)	(\$230/SF)

LESS PROPOSED SOURCES

FRM	\$1,800,000	(\$120,000/DU)
Hudson County HOME Funds	\$1,465,486	(\$97,699/DU)
Harrison AHTF	\$509,000	(\$33,933/DU)
Deferred Developer Fee	\$918	(\$61/DU)

TOTAL PROPOSED SOURCES	\$3,775,405	(\$251,694/DU)
------------------------	-------------	----------------

Acquisition	\$1
Percentage of Total Development Costs	0%

Construction Cost + Hard Cost Contingency + Utility Connection Fees	\$2,748,818
Percentage of Total Development Costs	73%

**Remaining Soft Cost	\$1,026,587
Percentage of Total Development Costs	27%
Percentage of Construction Costs	37%

****If the percentage of soft costs are over 20%, please justify what could have caused this percentage to go over 20% (ie: escrows, negative arb., deferred developer fee)**

**Remaining Soft Cost	\$1,026,587
-----------------------	-------------

Less	
Escrows	\$134,261

Deferred Developer Fee	\$919
TOTAL	\$135,180
Net Soft Costs	\$891,407
Percentage of Total Development Costs	24%
Percentage of Construction Costs	32%

Affordability Overview
Rental Housing

<u># Units</u>	<u>Unit Type</u>	<u>Net Monthly Rent</u>	<u>Utility Allowance</u>	<u>Range of Affordability</u>
3	1BR	\$560	\$127	low 47.5%
12	1BR	\$705	\$127	mod 57.5%
<hr/>				
15 units				

Attachments:

1. Form-10
2. Prior Board Approval Dated June 28, 2012

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY

SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND CONSTRUCTION & PERMANENT LOANS

[illegible]

*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

X Inducement
 X Commitment
 Re-Commitment
 Bond Sale
 Closing

HMFA# 02756

Prepared by: *Donna Spitzer*Reviewed by: *Manish R. Bhatnagar*
 (Director of Technical Services)
 (Director of M&E Programs & Credits)

Accountability Officer

Will/ians be repaid from project revenues?

(If source is a grant, enter "G".)
 Y, or N, or G8/20/13
 Date**1. SOURCES OF FUNDS DURING CONSTRUCTION:**

	Enter total Amt. of Grant/Loan Here			
a)	N/A			
b) Hudson County HOME Funds	\$1,465,486	1,465,486	\$	1,318,937
c) Harrison AHIF	\$509,000	509,000	\$	458,100
d) FRM Funds	\$1,800,000		\$	1,800,000
e)			\$	
f)			\$	
g)			\$	
h) Deferred Developer's Fee			\$	104,526
			\$	3,681,563

TOTAL SOURCES OF CONSTRUCTIONS FUNDS:**2. USES OF FUNDS DURING CONSTRUCTION:****A. ACQUISITION COSTS:**

			% of Const Cost OR Cost/Unit
a) Land	0.10 @ (\$ 10.00 per Acre)	\$ 1	
b) Building Acquisition	Land value should be between \$15,000 & \$25,000 per unit		\$0
c) Relocation			
d) Other:	Total Acquisition as a percent of Total Project Costs:	0.00%	1

B. CONSTRUCTION COSTS

			% of Const Cost OR Cost/Unit
a) Demolition	NOTE: Payment and Performance bonds are required through the const and for a two-year period after the Certificate of Occupancy.	\$ 168,871	
b) Site work		1,976,356	
c) Residential Structures			
d) Community Service Facility			
e) Environmental Clearances			
f) Surety & Bonding	should be between .75% and 2% of Construction Costs	45,825	1.80%
g) Building Permits		22,441	
h) Garage Parking	garage should be approx \$15,000/space; parking lot around \$700/space		
i) General Requirements	should be about 6% of construction costs	208,000	9.40%
j) Contractor Overhead & Profit -	should not exceed 8% of construction costs in total-usually 2% Overhead & 6% Profit	125,000	5.65%
k) Fire Suppression System			
l) Green Features (for Solar and LEED Certification costs only)			
m) Other	Total Const Costs as a percent of Total Project Costs:	70.82%	

C. DEVELOPERS FEE

13.02% HMFA Policy is that the Developer fee is earned as a percentage of construction completion.

D. CONTINGENCY

	Non-Deferred Amt.	
a) Hard Costs	\$418,681 13.00%	127,325
b) Soft Costs	5.000% 5% for New Construction & 10% for Rehabilitation	5,423
	1.000% should be a Maximum of 5%	132,748

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study	919	\$ 7,500	
b) Architect		160,000	
c) Engineer			
d) Attorney		125,000	
e) Cost Certification/Audit		20,000	
f) Environmental Consultant		15,000	
g) Historical Consultant			
h) Geotechnical Engineering Report			
i) Surveyor		8,000	
j) Professional Planner:		50,000	
k) LEED provider contract fees, etc	Total Professional fees as a % of Total Project Costs:	10.21%	385,500

F. PRE-OPERATIONAL EXPENSES *

	* Non-eligible costs in TC basis	
a) Operator fees (pre-construction completion) *	Should not Exceed \$250 per unit	\$
b) Advertising and Promotion (pre-construction completion)*		
c) Staffing and Start-up Supplies (pre-construction completion)*		
d) Other:		
e) Other:		

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

	(percentage of total development costs)		4.15%
a) Interest @	% for (mos.) on \$		
b) R.E. Tax \$	4,714 (per annum) x	0.83 Yrs.	3,928
c) Insurance \$	25,714 (per annum) x	0.83 Yrs.	21,428
d) Title Insurance and Recording Expenses			31,445
e) Financing Fee on Non Amortizing Debt	on \$		
f) HMFA Second Note Financing Fee (Cons't & Perm Only)	on \$		
g) HMFA Constr. Loan Serv. Fee	% for (17 mos.) on N/A		
h) Non financed development costs			
i) Tax Credit Fees	If the HMFA will be selling Bonds for the project either before or during the time the Development is under construction, these costs should be accounted for during the construction period.		(ESTIMATE)
j) Negative Arbitrage (If Bonds are sold during Construction)			(ESTIMATE)
k) Cost of Insurance (If Bonds are sold during Construction)			
l) Furniture, Fixtures & Equipment (F,F&E)		25,000	
m) Utility Connection Fees	Total Carrying/Fin. Costs as % of Total Project Costs:	4.15%	75,000

H. Working Capital Escrow

a) Debt Service & Operating Expenses		22,245
b) Rental Agent Rent-up Fee (during Rent-up)		
c) Advertising and Promotion (during Rent-up)		10,000

I. Other Escrows

a) Insurance (1/2 YR.)		\$ 6,360
b) Taxes (1 Qtr.)		\$ 1,814
c) Debt Service Payment & Servicing Fee for 1 Month		\$
d) Mortgage Insurance Premium (MIP) 1 year plus 3 months		\$
e) Repair & Replacement Reserves		\$
f) HMFA Operating Deficit Reserve		\$
g) Other:		\$
h) Other:		\$
i) Other:	Total Escrows as a % of Total Project Costs:	1.87%

3. USES OF FUNDS DURING CONSTRUCTION:**4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (average / shortage):**

\$ 3,681,563
 \$ 0

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

Y, or N, or G

a) Hudson County HOME Funds		\$ 146,549
b) Harrison AHFF		\$ 50,900
c)		\$
d)		\$
e)		\$
f)		\$
TOTAL SOURCES FOR PERMANENT CLOSE-OUT:		\$ 197,449

6. USES OF FUNDS FOR PERMANENT Close-out:

A. DEVELOPER'S FEE:		\$ 103,607
B. CONSTRUCTION LOAN PAYOFF		\$
C. Negative Arbitrage " (ESTIMATE)		\$
D. Cost of Insurance " (ESTIMATE)	" Non-eligible costs in TC basis	\$
E. Closing Costs		\$
F. Other: Owner held operating reserves		\$ 93,842
7. TOTAL of NUMBER 6 A-F ABOVE:		\$ 197,449
8. BALANCE NEEDED TO CLOSE (overage / shortage):	Total Costs at Perm. Closeout as % of Total Project Costs: 2.49%	\$
9. TOTAL PROJECT COSTS		\$ 3,775,405
10. MAXIMUM MORTGAGE LOAN	Mortgage Loan as % of Total Project Costs: 47.68%	\$ 1,800,000

11. 55% of Basis Test:

Aggregate Basis:	\$ 3,641,143	Check each line item for Eligibility
55% of Basis (estimated):	2,002,629	
Less 1st Mtg., 1st Note:	1,800,000	
Equals 1st. Mtg., 2nd Note Needed:	202,629	

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

					List Source
Interest @ _____	(_____) mos.	Principal \$ _____	\$ _____		
		Total \$ _____	\$ _____		
			Total \$ _____		
			\$ _____		

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By: _____
(Developer or Authorized Signatory)By: _____
NJHMFA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Harrison Senior Urban Renewal LP
 Dev. Name: Harrison Senior Housing

HMFA# 02756
 Prepared by: Donna Spencer
 Reviewed by: _____
 Director of Property Management

08/29/13

Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	500
Telephone	500
Dues & Sub.	
Postage	359
Insp. & Other Fees	
Advertising	1,300
Legal Services	1,300
Auditing (Year End)	1,300
Soc. Serv. Suppl.	
Misc. Adm. Expenses	
Bookkeeping/Accounting	
and/or Computer Charges	1,116
Other:	
TOTAL \$	6,375

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	0.25	7,000
Janitorial	0.25	3,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin		
Maintenance		
Other Salaries:		
Empl. Benefits		2,000
Empl. Payroll Taxes		1,275
Worker's Comp.		
Other:		
TOTAL \$	0.50	13,275

III. MAINTENANCE AND REPAIRS

Masonry	1,200
Carpentry	1,200
Plumbing	1,200
Electrical	
Kitchen Equipment	
Elevator	200
Windows & Glass	
Vehicles & Equip.	
Snow Removal	1,920
Grounds & Landscaping	1,000
Paint & Dec. Supl.	
Small Equip. & Tools	
Janit. Sup. & Tools	
HVAC Supplies	
Misc. Maint. Suppl.	
Other:	
TOTAL \$	6,720

IV. MAINTENANCE CONTRACTS

Security	700
Elevator	1,470
Rubbish Removal	3,635
Heating & AC Maint.	900
Grounds, Parking & Landscaping	
Exterminating	200
Cyclical Apt. Painting	1,750
Other:	
TOTAL \$	8,655

V. UTILITY EXPENSE

Water Charges	1,000
Sewer Charges	1,000
Electricity	3,700
Gas	10,800
Fuel	
Less Solar Energy Savings	
TOTAL \$	16,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	121,621
Less Vacancy	(-)	6,081
Less Utilities (if applicable)	(-)	
Gross Sheltered Rents	\$	115,540
x Rate	x	6.28 %
Real Estate Taxes	\$	7,256

OR

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

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	1,800,000	
Mortgage Interest Rate		%
Term (years)		Y
Amortization (Y,S,M)		
FMR Area	Hudson	

HMFA # 02756

Prepared by: Donna Spencer

08/29/13

Reviewed by:

Date _____

Yrs. The Interest rate has been reduced by: b as the Cost-of-Insurance is being paid out-of-pocket by the sponsor.

Date of Income Limits Chart Used:	12/11/12
Date of Utility Chart Used:	7/1/12

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	2	low -47.5%	687	127	560	1,120	13,440	600
1	12	mod-57.5%	832	127	705	8,455	101,461	600
1	1	low -47.5%	687	127	560	560	6,720	525
TOTALS								

Anticipated Annual Rents: **121,621**

- 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 "Mid" 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) <u>Equipment:</u>	(b) <u>Services:</u>	Gas, Electric or Oil	Master or Individual	Paid by Tenant
Ranges	Heat	E	Individual	Y
Refrigerator	Hot Water	G	Individual	Y
Air Conditioning	Cooking	E	Individual	Y
Laundry Facilities	Air Conditioning	E	Individual	Y
Disposal	Household Electric		Individual	Y
Dishwasher	Water			N
Carpet	Sewer			N
Drapes	Parking			
Swimming Pool	Other:			
Tennis Court	Other:			
Others:				

UTILITY ALLOWANCE METHODS (Yes or No)

DCA Utility Allowance Chart	<u> </u> Yes	Utility Company Estimates
HUD Utility Schedule Model	<u> </u>	Energy Consumption Model

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

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

Borrowing Entity: <u>Harrison Senior Urban Renewal LP</u>		HMFA# <u>02756</u>	
Dev. Name: <u>Harrison Senior Housing</u>		Prepared by: <u>Donna Spencer</u>	<u>08/29/13</u>
		Reviewed by: _____	Date _____
		(Director of Property Management - Expenses Only)	
RENTAL INCOME			
Apartment Rents		\$	<u>121,621</u>
Vacancy Loss (5.00 %)			<u>6,081</u>
NET APT. RENTS			<u>115,540</u>
Commercial Income	_____ per Sq. Ft.	\$	_____
Garage & Parking	_____ per Sq. Ft.		_____
Commercial Vacancy	_____ %		_____
NET COMMERCIAL RENTALS			_____
TOTAL RENTAL INCOME		\$	<u>115,540</u>
OTHER INCOME			
Laundry Machines		\$	<u>1,500</u>
Other:			_____
TOTAL OTHER INCOME		\$	<u>1,500</u>
TOTAL REVENUE			<u>\$ 117,040</u>
EXPENSES			
Administrative (Schedule I)		\$	<u>6,375</u>
Salaries (Schedule II)			<u>13,275</u>
Maint. & Repairs (Schedule III)			<u>6,720</u>
Maint. Contracts (Schedule IV)			<u>8,655</u>
Utilities (Schedule V)			<u>16,500</u>
Management Fee 53.37 per unit			<u>9,606</u> * Should be between \$49 & \$64 per unit
P.I.L.O.T. on Commercial Income(_____ %)			_____
Real Estate Taxes (Schedule VI)			<u>7,256</u>
Insurance \$848 per Unit			<u>12,720</u> 2-Story & below - \$500; 3-Story & above - \$550
Reserve for Repair and Replacement 525.00 per unit			<u>7,875</u>
TOTAL EXPENSES		\$	<u>88,982</u>
NET OPERATING INCOME		\$	<u>28,058</u>
DEBT SERVICE			
1. Principal and Interest		\$	_____
2. Mortg & Bond Serv Fee _____ %			_____
3. MIP _____ %			_____
4. Debt Service on Other			_____
Mortgage Loans \$ _____		\$	_____
AGENCY DEBT SERVICE		\$	_____
DEBT SERVICE NOT TO BE CONSIDERED IN DSR		\$	_____
TOTAL DEBT SERVICE		\$	_____
NET INCOME		\$	<u>28,058</u>
Less Return on Equity (_____ % on \$ _____)		\$	_____
Project Profit/(Loss)		\$	<u>28,058</u>
DEBT SERVICE RATIO CALCULATION :			
DSR =	$\frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}}$	=	_____
New Mortgage Amount			
<u>1,800,000</u>			

DRAFT - for discussion purposes only and subject to change
MULTIFAMILY CASH FLOW

DEVELOPMENT: Horizon Senior Housing

HMA # 07/56

LOAN OFFICER: Donna Spencer

DATE: 8/25/13

Annual % of Rent Increase: 3.00%

Annual Expense Increase: 5.00%

Vacancy: 5.00%

Commercial Rent Increase: 5.00%

Commercial Vacancy: 5.00%

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	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
1	233,003	240,028	247,210	254,847	262,287	270,156	278,260	286,608
2	11,552	-12,001	-12,362	-12,362	-13,114	-13,813	-14,513	-15,213
3	227,366	228,028	234,859	241,915	249,172	256,048	263,347	271,277
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10	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
11	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
12								
13	222,866	229,528	236,399	243,415	250,672	258,149	265,847	273,777
14								
15	15,098	15,713	16,344	16,925	17,674	18,351	19,117	19,881
16	12,672	13,136	13,618	14,119	14,639	15,178	15,759	16,322
17	32,806	32,488	32,086	31,687	31,094	30,468	29,755	29,040
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RESOLUTION OF THE NEW JERSEY HOUSING AND MORTGAGE
FINANCE AGENCY REGARDING APPROVAL OF A DECLARATION
OF INTENT FOR THE PROJECT KNOWN AS HARRISON SENIOR
HOUSING, HMFA #02756

WHEREAS, the Members of the New Jersey Housing and Mortgage Finance Agency have been presented and considered a Request for Action in the form attached hereto as Exhibit A; and

WHEREAS, the Request for Action requested the Members to adopt a resolution authorizing certain actions by the New Jersey Housing and Mortgage Finance Agency, as outlined and explained in said Request for Action.

NOW, THEREFORE, ON THIS 28TH OF JUNE 2012 BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY AS FOLLOWS:

Section 1. The actions set forth in the Action Requested section of the Request for Action, attached hereto as Exhibit A, are hereby approved, subject to any conditions set forth as such in said Request for Action.

Section 2. The Request for Action, attached hereto as Exhibit A, is hereby incorporated and made part of this resolution as though set forth at length herein.

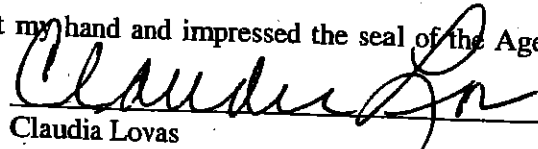
Section 3. This resolution shall take effect immediately upon expiration of the ten(10) day period following the delivery of a true copy of this resolution accompanied by a summary of the action taken at the meeting by the Board to the Governor or immediately upon the approval of the minutes by the Governor within the said ten(10) day period.

Board Member	Aye	Nay	Abstained	Recusal	Not Present
Charles Richman, designee for Richard E. Constable, III	X				
Susan Fischer	X				
David Moore	X				
Valerie Larosiliere	X				
Thomas Hunt	X				
Monsignor Linder					
Dorothy Blakeslee	X				X
Patricia Mueller					
Stanley Weeks	X				X

CERTIFICATE

I, Claudia Lovas, Assistant Secretary of the New Jersey Housing and Mortgage Finance Agency, do hereby certify that the foregoing is a true and correct copy of a resolution duly adopted and approved by the Members of the Agency at a meeting duly called and held on the 28th day of June 2012 and that not less than five Members of the Agency were present and voted in favor of said resolution.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the seal of the Agency this 28th day of June 2012.


Claudia Lovas
Assistant Secretary

Harrison Senior Housing
Harrison, Hudson County
HMFA #2756

June 28, 2012

**REQUEST FOR ACTION BY MEMBERS OF
THE NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY**

Action Requested:

1. Approval of a "Declaration of Intent" stating the intention of the Agency to issue tax exempt bonds in an estimated amount not to exceed \$2,500,000 in construction financing for a project known as Harrison Senior Housing, HMFA #2756, upon the terms and conditions set forth below. Approval of this "Declaration of Intent" will establish for tax purposes the eligibility of costs associated with pre-bond sale and development work on the project. By this approval, the Board expresses its present intent to issue bonds for this project. The ability of the project to conform to the Agency's Underwriting Guidelines and Financing Policy, as well as compliance with federal tax and other laws, has not yet been determined. This approval does not obligate the Agency to take any further action in connection with this project, including any approval to allocate tax-exempt bond volume cap, to issue bonds or to provide first mortgage financing, gap financing or a tax credit allocation. This approval for a Declaration of Intent is not intended to give this project any preference over any other project financing.

Issues, Comments and Related Actions:

It is anticipated that construction will begin in December 2012 and be completed by December 2013.

The Applicant

Domus Corporation, located in Newark, New Jersey is the applicant for the project's financing.

The Developer

Domus Corporation will also act as the developer for the project.

Domus Corporation is an affiliate of Catholic Charities of the Archdiocese of Newark. It is a nonprofit housing development corporation founded in 1995. Its mission is to develop affordable housing and provide support services within Bergen, Essex, Hudson and Union counties. They have developed and manage several affordable housing projects in North Jersey, including housing for the homeless, disabled and seniors including Kearny Senior Residence, Kearny, St Mary's Senior Residence, Dumont and Sunrise House, Newark. They have one tax credit project in the Agency portfolio, Bramhall Avenue Apartments, LITC #520.

The Sponsor/Borrower

The applicant for the project's financing will form a limited partnership known as Harrison Senior Urban Renewal, L.P. such entity to be called below the "Sponsor" and/or "Borrower". Domus Corporation will be the General Partners of Harrison Senior Urban Renewal, L.P. The principles of Domus Corporation are Phillip Frese, President and John Westervelt, Vice President/ Treasurer.

Acquisition

Domus Corporation has entered into a Sales and Purchase Agreement with the Town of Harrison for the property Lot 6, Block 50.02. The Town will convey the property for \$1.00 subject to Domus developing an affordable senior housing project.

The land valuation is subject to an appraisal.

The Project

The proposed new construction senior rental project is on a 0.1 acre site in a residential neighborhood. Domus plans on developing a four (4) story elevator serviced facility with fifteen (15) one bedroom units designed for very low income and moderate income seniors and frail elderly. The proposed net rents for the apartments range from \$313-693 per month. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1,600 square foot community room and garbage/recycling centers on each floor. Onsite services will include: needs assessment and case management, a medical screening program, job training and job placement

The project is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation. The township has agreed to convey the land for a nominal fee and will grant long term tax abatement. Prevailing wages are being paid

For Low Income Housing Tax Credits purposes, the sponsor has elected the affordability set aside of 40% at 60%.

Market Analysis

To be determined upon receipt of an Agency commissioned appraisal / market study.

Agency Financing

The Agency may provide construction only financing in an estimated amount of \$2,073,291 at an estimated annual interest rate of 2.45% with a term of 2 years. The mortgage will be secured by a first mortgage lien on the property.

Other Funding Sources

LIHTC

The sponsor is applying for 4% tax credits and anticipates the sale of federal low-income housing tax credits at \$.93 cents on the dollar. In exchange for the tax credits, the investor, To Be Determined, is expected to generate equity in the amount of \$1,377,524.

Hudson County HOME Funds

On April 2, 2012, the sponsor received a commitment for HOME Funds from Hudson County in the amount of \$1,465,486.

Harrison Affordable Housing Trust Fund (AHTF)

On April 2, 2012, the sponsor received a commitment from the Town of Harrison in the amount of \$650,000.

Federal Home Loan Bank (FHLB)

The sponsor applied for FHLB funds in the amount of \$300,000 anticipates a commitment in November 2012.

Deferred Developer Fee

The Sponsor anticipates providing deferred developer fee, in the aggregate amount of \$268,981 during construction and will be paid \$241,511 at permanent take out. Collection of the Deferred Developer Fee will come from cash flow by way of Return on Equity.

DOI Expiration Date:

This Declaration of Intent will expire one (1) year from the date of its approval by the Board, unless all requirements for a mortgage commitment have been met and the Board approves a commitment within that one-year period. The Executive Director has the authority to extend this declaration for two additional six-month periods. This Declaration of Intent will remain valid for the life of the mortgage commitment through any mortgage commitment extensions, mortgage recommitments, or through the issuance of tax-exempt bonds (if applicable), whichever is later. This Declaration of Intent will expire if no mortgage commitment is issued within the one-year period, or as otherwise extended by the Executive Director. A Declaration of Intent is usually used in conjunction with Low Income Tax Credits to establish a date that marks the beginning of a project and the potential eligibility of costs associated with the project as defined in the IRS Code.

DOI Conditions:

1. The Agency reserves the right to require that the Sponsor provide HMFA with a credit enhancement obligation based on HMFA's assessment of the associated risk involved during the construction period.

New Jersey Housing and Mortgage Finance Agency
Multifamily Programs & Credit Division
Project Report
Harrison Senior Housing, HMFA# 2756
Town of Harrison, Hudson County

Block No. 50.02
Lot Nos. 6

Legislative District: 32
Congressional District: 13
Census Tract: 135

Project Description:

The proposed project is new construction of a four (4) story elevator serviced facility with a basement. There will be fifteen (15) one bedroom units, each 600 square feet. The net rents for the apartments range from \$313-693 per month. Each unit will have a range, refrigerator, and air conditioning. Project amenities include two laundry rooms, a 1600 square foot community room and garbage/recycling centers on each floor.

Site Location:

774 Harrison Avenue, Harrison, NJ. The 0.1 acre project site is located within walking distance to a retail area, a park, various churches and a food store. The site is also in close proximity to public transportation.

Development Team:

Developer/Applicant:

Domus Corporation
Phillip Frese, President,
590 North 7th Street
Newark, NJ
973-596-3984

Sponsor/Borrower Entity:

Harrison Senior Housing Urban Renewal LP
590 North 7th Street
Newark, NJ
973-596-3984

Principals:

Phillip Frese, President
590 North 7th Street
Newark, NJ
973-596-3984

John Westervelt, Vice President/Treasurer
590 North 7th Street
Newark, NJ
973-596-3984

Contact:

The Metro Company LLC
Stuart Portney
242 Tenth Street. Suite 103
Jersey City, NJ
201-435-6500

Architect:

Steven S Cohen Architect PC
63 Moran Avenue
Princeton, NJ 08542
609-924-6560

Attorney:

Harold Law PA
25 Independence Boulevard
Warren NJ 07059
908-648-1022

General Contractor:

Del -Sano Contracting Corp
2037 Morris Avenue
Union, NJ
908-688-8891

Managing Agent:

Raymond P Marzulli Company
264 Belleville Avenue
Bloomfield, NJ 07003
973-743-3769

Social Service Provider:

Catholic Charities
Phillip Frese
590 North 7th Street
Newark, NJ
973-596-3984

Clearances and Disclosures:

All required disclosures will be submitted prior to project funding.

Site Control:

The Borrower has entered into an Agreement of Sale for the subject property.

Zoning:

The property will be properly zoned for the proposed use prior to project funding.

Utilities:

All utilities will be available to the site.

Land Valuation:

Will be determined in accordance with Agency standards.

Taxes:

Tax abatement will be granted in accordance with the Long Term Tax Abatement law; however the Agency reserves the right to request a tax abatement under N.J.S.A. 55:14K - 37 as a condition for commitment.

Environmental:

Has been completed in accordance with Agency underwriting standards.

FINANCIAL INFORMATION

DEVELOPMENT COSTS

Acquisition	\$1	(\$0/DU)	(\$0/SF)
Construction Costs (Including Contractor Fee)	\$2,504,157	(\$166,944/DU)	(\$152/SF)
Developer Fee	\$268,981	(\$17,932/DU)	(\$16/SF)
Professional Fees	\$351,958	(\$23,464/DU)	(\$21/SF)
Carrying, Financing Costs	\$409,069	(\$27,271/DU)	(\$25/SF)
Other Charges	\$153,496	(\$10,233/DU)	(\$9/SF)
TOTAL DEVELOPMENT COST	\$3,820,480	(\$254,699/DU)	(\$232/SF)

LESS PROPOSED SOURCES

Hudson County HOME Funds	\$1,465,486	(\$97,699/DU)
Harrison AHTF	\$650,000	(\$43,333/DU)
FHLB	\$300,000	(\$20,000/DU)
LIHTC Equity	\$1,377,524	(\$91,835/DU)
Deferred Developer Fee	\$27,470	(1,831/DU)
TOTAL PROPOSED SOURCES	\$3,820,480	(\$254,699/DU)

Affordability Overview
Rental Housing

<u># Units</u>	<u>Unit Type</u>	<u>Net Monthly Rent</u>	<u>Utility Allowance</u>	<u>Range of Affordability</u>
3	1BR	\$313	\$101	v low 30%
12	1BR	\$693	\$101	mod 57.5%
15 units				

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
MULTI-FAMILY

SCHEDULE 10-A: PROJECT DESCRIPTION-CONSTRUCTION (ONLY) AND CONSTRUCTION& PERMANENT LOANS

[illegible]

*** 20-50 set-aside means 20% or more of the residential units will be rent restricted and occupied by households whose income is 50% or less of area median income.

SCHEDULE 10-B: EST. DEVELOPMENT COSTS AND CAPITAL REQUIREMENTS

X

Inducement

X

Commitment

Re-Commitment

Bond Sale

Closing

HMFA# 02756

Prepared by: Dohaa Spencer

Reviewed by: Margaret K. ...
(Director of Technical Services)
Margaret K. ...
(Director of Mkt Programs & Credit)

Accountability Officer: [Signature]

With loan/s be repaid from project revenues?
(If Source is a grant, enter "G".)
Y, or N, or G

2/12/14

2-12-14

Date

1. SOURCES OF FUNDS DURING CONSTRUCTION:

	Enter total Amt. of Grant/Loan Here			
a)	N/A			\$
b) Hudson County HOME Funds	\$1,465,486		1,465,486	\$ 1,318,937
c) Harrison AHTF	\$650,000		650,000	\$ 585,000
d) FRM Funds	\$1,800,000			\$ 1,800,000
e)				\$
f)				\$
g)				\$
h) Deferred Developer's Fee				\$ 93,237
TOTAL SOURCES OF CONSTRUCTIONS FUNDS:				\$ 3,797,174

2. USES OF FUNDS DURING CONSTRUCTION:

A. ACQUISITION COSTS:

a) Land 0.10 @ (\$ 10.00 per Acre) \$ 1

b) Building Acquisition Land value should be between \$15,000 & \$25,000 per unit \$0

c) Relocation

d) Other: Total Acquisition as a percent of Total Project Costs: 0.00% 1

B. CONSTRUCTION COSTS

a) Demolition NOTE: Payment and Performance bonds are required through the const and for a two-year period after the Certificate of Occupancy. \$

b) Site work 168,871

c) Residential Structures 2,086,438

d) Community Service Facility

e) Environmental Clearances

f) Surety & Bonding should be between .75% and 2% of Construction Costs 46,304 1.75%

g) Building Permits 22,441

h) Garage Parking garage should be approx \$15,000/space; parking lot around \$700/space

i) General Requirements should be about 6% of construction costs 135,318 5.82%

j) Contractor Overhead & Profit - should not exceed 8% of construction costs in total-usually 2% Overhead & 6% Profit 180,424 7.76%

k) Fire Suppression System

l) Green Features (for Solar and LEED Certification costs only)

m) Other Total Cons't Costs as a percent of Total Project Costs: 70.79% 2,639,796

C. DEVELOPERS FEE 13.00% HMFA Policy is that the Developer fee is earned as a percentage of construction completion. 432,193

D. CONTINGENCY

Non-Deferred Amt.: \$432,193 13.00%

a) Hard Costs 5.000% 5% for New Construction & 10% for Rehabilitation 131,990

b) Soft Costs 1.000% should be a Maximum of 5% 5,473 137,463

E. PROFESSIONAL SERVICES

a) Appraisal & Market Study \$ 7,500

b) Architect 160,000

c) Engineer

d) Attorney 125,000

e) Cost Certification/Audit 20,000

f) Environmental Consultant 15,000

g) Historical Consultant

h) Geotechnical Engineering Report

i) Surveyor 8,000

j) Professional Planner: 50,000

k) LEED provider contract fees, etc Total Professional fees as a % of Total Project Costs: 9.85% 385,500

F. PRE-OPERATIONAL EXPENSES *

* Non-eligible costs in TC basis

a) Operator fees (pre-construction completion) * Should not Exceed \$250 per unit \$

b) Advertising and Promotion (pre-construction completion)*

c) Staffing and Start-up Supplies (pre-construction completion)*

d) Other: *

e) Other: *

G. CARRYING AND FINANCING COSTS DURING CONSTRUCTION

(percentage of total development costs) 4.13%

a) Interest @ % for (mos.) on \$

b) R.E. Tax \$ 4,714 (per annum) x 0.83 Yrs. 3,928

c) Insurance \$ 25,714 (per annum) x 0.83 Yrs. 21,428

d) Title Insurance and Recording Expenses 31,445

e) Financing Fee on Non Amortizing Debt on \$

f) HMFA Second Note Financing Fee[Cons't & Perm Only] on \$

g) HMFA Constr.Loan Serv.Fee % for (17 mos.) on N/A

h) Application Fee 5,000

i) Tax Credit Fees If the HMFA will be selling Bonds for the project either before or during the time the Development is under construction, these costs (ESTIMATE)

j) Negative Arbitrage (if Bonds are sold during Construction) should be accounted for during the construction period. (ESTIMATE)

k) Cost of Issuance (If Bonds are sold during Construction) 25,000

l) Furniture, Fixtures & Equipment (F,F&E)

m) Utility Connection Fees Total Carrying/Fin. Costs as % of Total Project Costs: 4.13% 75,000 161,802

H. Working Capital Escrow

a) Debt Service & Operating Expenses 22,245

b) Rental Agent Rent-up Fee (during Rent-up)

c) Advertising and Promotion (during Rent-up) 10,000

I. Other Escrows

a) Insurance (1/2 YR.) \$ 6,360

b) Taxes (1 Qtr.) \$ 1,814

c) Debt Service Payment & Servicing Fee for 1 Month

d) Mortgage Insurance Premium (MIP) 1 year plus 3 months

e) Repair & Replacement Reserves

f) HMFA Operating Deficit Reserve

g) Other:

h) Other:

i) Other: Total Escrows as a % of Total Project Costs: 1.03%

3. USES OF FUNDS DURING CONSTRUCTION: \$ 3,797,174

4. BALANCE OF FUNDS NEEDED FOR CONSTRUCTION (overage / shortage): \$ 0

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

Harrison Senior Housing-Closing_2.xlsFORM-10 (A-F) 2/12/2014

REV. 4/12/11 AA

5. SOURCES OF FUNDS FOR PERMANENT CLOSE-OUT:

Y, or N, or G

a) Hudson County HOME Funds

b) Harrison AHTF

c)

d)

e)

f)

TOTAL SOURCES FOR PERMANENT CLOSE-OUT:

\$	146,549
\$	65,000
\$	
\$	
\$	
\$	
\$	211,549

6. USES OF FUNDS FOR PERMANENT CLOSE-OUT:**A. DEVELOPER'S FEE:****B. CONSTRUCTION LOAN PAYOFF****C. Negative Arbitrage** (ESTIMATE)**D. Cost of Issuance** (ESTIMATE)**E. Closing Costs****F. Other:** Owner held operating reserves

* Non-eligible costs in TC basis:

Total Costs at Perm. Closeout as % of Total Project Costs: 3.02%

7. TOTAL of NUMBER 6 A-F ABOVE:**8. BALANCE NEEDED TO CLOSE (overage / shortage):****9. TOTAL PROJECT COSTS****10. MAXIMUM MORTGAGE LOAN**

Mortgage Loan as % of Total Project Costs: 45.97%

\$	93,237
\$	
\$	
\$	
\$	
\$	118,312
\$	211,549
\$	
\$	3,915,486
\$	1,800,000

11. 55% of Basis Test:

Aggregate Basis:	\$ 3,756,754
55% of Basis (estimated):	2,066,215
Less 1st Mtg., 1st Note:	1,800,000
Equals 1st Mtg., 2nd Note Needed:	266,215

Check each line item for Eligibility

12. REPAYMENT OF SECOND NOTE (IF APPLICABLE)

Interest @	() mos.	Principal \$		Total \$		Total \$	

List Source

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

By:

(Developer or Authorized Signatory)

By:

NJHMPA Executive Director or Designee

SCHEDULE 10-C: OPERATING EXPENSES

Borrowing Entity: Harrison Senior Urban Renewal LP
Dev. Name: Harrison Senior Housing

HMFA# 02756
Prepared by: Donna Spencer
Reviewed by: Director of Property Management

02/10/14
Date

I. ADMINISTRATIVE EXPENSE

Stationery & Suppl.	500
Telephone	500
Dues & Sub.	
Postage	359
Insp. & Other Fees	
Advertising	1,300
Legal Services	1,300
Auditing (Year End)	1,300
Soc. Serv. Suppl.	
Misc. Adm. Expenses	
Bookkeeping/Accounting	
and/or Computer Charges	1,116
Other:	
TOTAL \$	6,375

III. MAINTENANCE AND REPAIRS

Masonry	1,200
Carpentry	1,200
Plumbing	1,200
Electrical	
Kitchen Equipment	
Elevator	200
Windows & Glass	
Vehicles & Equip.	
Snow Removal	1,920
Grounds & Landscaping	1,000
Paint & Dec. Supl.	
Small Equip. & Tools	
Janit. Sup. & Tools	
HVAC Supplies	
Misc. Maint. Suppl.	
Other:	
TOTAL \$	6,720

II. SALARIES & RELATED CHARGES

	# of Employees	Total Wages inc benefits
Superintendent	0.25	7,000
Janitorial	0.25	3,000
Grounds & Landscaping		
Security		
Social Services		
Site Office & Admin		
Maintenance		
Other Salaries:		
Empl. Benefits		2,000
Empl. Payroll Taxes		1,275
Worker's Comp.		
Other:		
TOTAL \$	0.50	13,275

IV. MAINTENANCE CONTRACTS

Security	700
Elevator	1,470
Rubbish Removal	3,635
Heating & AC Maint.	900
Grounds, Parking & Landscaping	
Exterminating	200
Cyclical Apt. Painting	1,750
Other:	
TOTAL \$	8,655

V. UTILITY EXPENSE

Water Charges	1,000
Sewer Charges	1,000
Electricity	3,700
Gas	10,800
Fuel	
Less Solar Energy Savings	
TOTAL \$	16,500

VI. REAL ESTATE TAX CALCULATION FOR TAX ABATEMENT

Gross Rents	\$	121,621
Less Vacancy	(-)	6,081
Less Utilities (if applicable)	(-)	
Gross Sheltered Rents	\$	115,540
x Rate	x	6.28 %
Real Estate Taxes	\$	7,256

OR

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

SCHEDULE 10-D : ANTICIPATED GROSS RENTS

Mortgage Amount	1,800,000	HMFA #	02756	
Mortgage Interest Rate	%	Prepared by:	Donna Spencer	02/10/14
Term (years)	Yrs.	The Interest rate has been	Reviewed by:	
Amortization (Y,S,M)		reduced by: <input type="text"/>	basis points	Date
FMR Area	Hudson	as the Cost-of-Issuance is being		
		paid out-of-pocket by the sponsor.	Date of Income Limits Chart Used:	12/11/12
			Date of Utility Chart Used:	7/1/12

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	2	low -47.5%	687	127	560	1,120	13,440	600
1	12	mod-57.5%	832	127	705	8,455	101,461	600
1	1	low -47.5%	687	127	560	560	6,720	525
Super's Apt *								
TOTALS	15					10,135		

Anticipated Annual Rents: 121,621

- * 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)	<u>Equipment:</u>	(b)	<u>Services:</u>	<u>or Oil</u>	<u>Individual</u>	<u>Tenant</u>
	Ranges		Heat	E	Individual	Y
	Refrigerator		Hot Water	G	Individual	Y
	Air Conditioning		Cooking	E	Individual	Y
	Laundry Facilities		Air Conditioning	E	Individual	Y
	Disposal		Household Electric		Individual	Y
	Dishwasher		Water			N
	Carpet		Sewer			N
	Drapes		Parking			
	Swimming Pool		Other:			
	Tennis Court		Other:			
	Other:					

UTILITY ALLOWANCE METHODS (Yes or No)

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

COMMERCIAL SPACE

(Include all utility costs associated with the commercial space in your description)

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

Borrowing Entity: Harrison Senior Urban Renewal LP

Dev. Name: Harrison Senior Housing

HMFA# 02756

Prepared by: Donna Spencer

Reviewed by: (Director of Property Management - Expenses Only)

02/10/14

Date

RENTAL INCOME

Apartment Rents		\$	121,621
Vacancy Loss	(5.00 %)		6,081
NET APT. RENTS			115,540
Commercial Income	per Sq. Ft.	\$	
Garage & Parking	per Sq. Ft.		
Commercial Vacancy	%		
NET COMMERCIAL RENTALS			
TOTAL RENTAL INCOME		\$	115,540

OTHER INCOME

Laundry Machines	\$	1,500
Other:		
TOTAL OTHER INCOME	\$	1,500

TOTAL REVENUE \$ 117,040

EXPENSES

Administrative (Schedule I)	\$	6,375
Salaries (Schedule II)		13,275
Maint. & Repairs (Schedule III)		6,720
Maint. Contracts (Schedule IV)		8,655
Utilities (Schedule V)		16,500
Management Fee 53.37 per unit		9,606
P.I.L.O.T. on Commercial Income(%)		
Real Estate Taxes (Schedule VI)		7,256
Insurance \$848 per Unit		12,720
Reserve for Repair and Replacement 525.00 per unit		7,875

TOTAL EXPENSES \$ 88,982

NET OPERATING INCOME

\$ 28,058

DEBT SERVICE

1. Principal and Interest	\$	
2. Mortg & Bond Serv Fee %		
3. MIP %		
4. Debt Service on Other		
Mortgage Loans \$	\$	
AGENCY DEBT SERVICE	\$	

DEBT SERVICE NOT TO BE CONSIDERED IN DSR \$

TOTAL DEBT SERVICE \$

NET INCOME

\$ 28,058

Less Return on Equity (% on \$) - \$

Project Profit/(Loss) \$ 28,058

DEBT SERVICE RATIO CALCULATION :

DSR = $\frac{\text{NET OPERATING INCOME}}{\text{AGENCY DEBT SERVICE}}$ =

New Mortgage Amount
1,800,000

	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	233,038	240,029	247,230	254,647	262,267	270,155	278,260	286,608
	-11,652	-12,001	-12,352	-12,732	-13,114	-13,508	-13,913	-14,330
	221,386	228,028	234,869	241,915	249,172	256,648	264,347	272,277
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	221,386	228,028	234,869	241,915	249,172	256,648	264,347	272,277
	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	0	0	0	0	0	0	0	0
	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
	222,886	229,528	236,369	243,415	250,672	258,148	265,847	273,777
	15,108	15,713	16,341	16,995	17,674	18,361	19,117	19,881
	31,461	32,719	34,028	35,389	36,805	38,277	39,808	41,400
	15,926	16,563	17,225	17,914	18,631	19,376	20,151	20,957
	20,512	21,332	22,185	23,073	23,996	24,956	25,954	26,992
	39,104	40,668	42,295	43,986	45,746	47,576	49,479	51,456
	18,406	18,958	19,527	20,113	20,716	21,338	21,978	22,637
	11,542	11,860	12,188	12,524	12,869	13,224	13,588	13,962
	30,145	31,351	32,605	33,909	35,266	36,676	38,144	39,669
	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875
	0	0	0	0	0	0	0	0
	190,078	197,039	204,269	211,779	219,578	227,679	236,082	244,832
	12,672	13,136	13,618	14,119	14,639	15,179	15,739	16,322
	0,85	0,86	0,86	0,87	0,88	0,88	0,89	0,89
	32,808	32,899	32,999	31,636	31,094	30,469	29,755	28,946
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
	32,808	32,489	32,099	31,636	31,094	30,469	29,755	28,946
	16,404	16,244	16,050	15,818	15,547	15,234	14,877	14,473
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0

Closing Date: 2/20/14

Project Name: Harrison Senior

Address: 774 Harrison Avenue

City, Zip Code: Harrison, 07029

HMFA#: 2756 SNHTF#: _____

Check which applies & List \$ Amt. For HMFA Mtg.			Check that which applies:			Permanent Sources		
Financing	Dollar		Financing	Dollar		Other Financing	Dollar Amt. During Const'	List the Perm. Sources at Permanent
Type	Amount		Type	Amount				
Construction and Permanent:	<input checked="" type="checkbox"/>	\$1,800,000	Home Express Only:	<input type="checkbox"/>		LHFC:	<input type="checkbox"/>	
Construction Only:	<input type="checkbox"/>		Special Needs Only:	<input type="checkbox"/>	HOME FUNDS:	<input checked="" type="checkbox"/>	\$1,318,937	\$1,465,486
Permanent Only:	<input type="checkbox"/>		Balanced Housing Only:	<input type="checkbox"/>	OTHER BANK:	<input type="checkbox"/>		
			Home Express/Bd Hous':	<input type="checkbox"/>	Solar Tax Credit	<input type="checkbox"/>		
			Special Needs:	<input type="checkbox"/>	FHLB	<input type="checkbox"/>		
			YCAP-Full recreation:	<input type="checkbox"/>	OTHER:	<input checked="" type="checkbox"/>	\$585,000	\$650,000

A. ACQUISITION COSTS

a) Land	_____	1
b) Building Acquisition	_____	
c) Relocation	_____	
d) Other:	_____	

B. CONSTRUCTION COSTS

a) Demolition	
b) Site work	168,871
c) Residential Structures	2,086,438
d) Community Service Facility	

c) Environmental Clearances

f) Surety & Bonding	46,304
g) Building Permits	22,441
h) Garage Parking	
i) General Requirements	135,318

i) Contractor Overhead & Profit

j) Fire Suppression System		
i) Green Feature Premium		
m) Other:		
C. DEVELOPER'S FEE	Line Item Sub-Total:	2,639,796

g) Non-Defer. Amt. Pd. Dur.

b) Amt. Pd. Upon Contr. Compl:	93,237
c) Amt Pd Thru Cash Flow:	
<u>D. CONTINGENCY</u>	
Line Item Sub-Total:	432,193
a) Hard Costs	131,990

b) Soft Corals

b) Soft Costs	7,500	
E. PROFESSIONAL SERVICES		137,463
a) Appraisal & Market Study	7,500	
b) Architect	160,000	
c) Engineers		

c) Engineer

d)	Attorney	125,000
e)	Cost Certification/Audit	20,000
f)	Environmental Consultant	15,000
g)	Historical Consultant	
h)	Geotechnical Engineering Report	
i)	Surveyor	8,000
j)	Professional Planner	50,000

k) Other: _____

F. PRE-OPERATIONAL EXPENSES , in Item Sub-Total:		385,500
a)	Oper Fees (pre-const. compl) _____	
b)	Advert.&Promo(pre-const compl.) _____	
c)	Staff&Start-up Supl. (pre-const compl) _____	

d) Other: working cap

c) Other:	marketing	10,000	
	Line Item Sub-Total:		32,245
<u>G. CARRYING AND FINANCING COSTS</u>			
a)	Interest		

b) R.E

c)	Insurance	21,428
d)	Title Ins and Recording Expenses	31,445
e)	Utility Connection Fees	75,000
f)	FF&E	25,000
g)	BMFA application fees	5,000
h)	Tax Credit Fees	
i)	Tax and Ins reserve	8,174
j)	Cost of Insurance	
k)	Owner controlled reserve	118,312

TOTALS:

TOT. BUDGETED USES(Form10):	\$3,915,486
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[illegible]

SOURCES AVAILABLE DURING CONSTRUCTION:	
Construction Lender: FRM - HMFA	1,800,000
FHLB	
Solar	
LIHTC Equity:	
Harrison Affordable Housing TF	650,000
County Home	1,465,486
Deferred Devel. Fee	
TOT. SOURCES DURING CONSTRUCTION:	3,915,486

DRAW @ Closing	Draw Month 1	Draw Month 2	Draw Month 3	Draw Month 4	Draw Month 5	Draw Month 6	Draw Month 7	Draw Month 8	Draw Month 9	Draw Month 10	Draw Month 11	Draw Month 12	SUB-TOTAL
	335,418	217,815	241,034	123,309	283,997	123,309	475,118						1,800,000
													0
													0
													0
										395,671	29,044	225,285	650,000
370,917							295,636	368,362	291,076	139,495			1,465,486
													0
370,917	335,418	217,815	241,034	123,309	283,997	123,309	770,754	368,362	291,076	535,166	29,044	225,285	3,915,486

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
Construction Draw Schedule

Closing Date: 2/20/14
Project Name: Harrison Senior
Address: 774 Harrison Avenue
City, Zip Code: Harrison, 07029
HMFA#: 2756 SNHTF#: 0

CONSTRUCTION DRAWS FOR THE FINAL 12 MONTHS													Grand TOTAL	Balance Plus/Minus
	Draw Month 13	Draw Month 14	Draw Month 15	Draw Month 16	Draw Month 17	Draw Month 18	Draw Month 19	Draw Month 20	Draw Month 21	Draw Month 22	Draw Month 23	Draw Month 24	Prev. 12 mos plus 13-24	
A. ACQUISITION COSTS	% Const. Comp.													
a) Land													0	1
b) Building Acquisition													0	0
c) Relocation													0	0
d) Other: 0													0	0
B. CONSTRUCTION COSTS														
a) Demolition													0	0
b) Off-Site Improvement													168,871	0
c) Residential Structures	0	0	0	0	0	0	0	0	0	0	0	0	2,086,438	0
d) Community Service Facility													0	0
e) Environmental Clearances													0	0
f) Surety & Bonding													46,304	0
g) Building Permits													22,441	0
h) Garage Parking													0	0
i) General Requirements	0	0	0	0	0	0	0	0	0	0	0	0	135,318	0
j) Contractor Overhead & Profit	0	0	0	0	0	0	0	0	0	0	0	0	180,424	0
k) Fire Suppression System													0	0
l) Green Feature Premium													0	0
m) Other: 0													0	0
D. DEVELOPER'S FEE														
a) Non-Deferred Amt. Pd. During Const:													338,956	0
* b) Amt. Pd. Upon Constr. Completion:													93,237	0
c) Amount Paid Through Cash Flow:													0	0
C. CONTINGENCY														
a) Hard Costs													131,990	0
b) Soft Costs													5,473	0
E. PROFESSIONAL SERVICES														
a) Appraisal & Market Study													7,500	0
b) Architect													160,000	0
c) Engineer													0	0
d) Attorney													125,000	0
e) Cost Certification/Audit													20,000	0
f) Environmental Consultant													15,000	0
g) Historical Consultant													0	0
h) Geotechnical Engineering Report													0	0
i) Surveyor													8,000	0
j) Professional Planner													50,000	0
k) Other: 0													0	0
F. PRE-OPERATIONAL EXPENSES														
a) Operator Fees (pre-construction completion)													0	0
b) Advert and Promo (pre-constru completion)													0	0
c) Staffing and Start-up Supl. (pre-const compl)													0	0
d) working cap													22,245	0
e) marketing													10,000	0
G. CARRYING AND FINANCING COSTS														
a) Interest													0	0
b) R.E. Tax													3,928	0
c) Insurance													21,428	0
d) Title Insurance and Recording Expenses													31,445	0
e) Utility Connection Fees													75,000	0
f) Other Lender's Points													25,000	0
g) Other Lender Construction Fin Fees													5,000	0
h) Tax Credit Fees													0	0
i) Negative Arbitrage													8,174	0
j) Cost of Insurance													0	0
k) Other													118,312	0
H. ESCROW REQUIREMENTS:														
	0	0	0	0	0	0	0	0	0	0	0	0	3,915,486	0

* Paid out of 10% Bal. Housing Hold Back

3,915,486

Sources Continued:	Draw Month 13	Draw Month 14	Draw Month 15	Draw Month 16	Draw Month 17	Draw Month 18	Draw Month 19	Draw Month 20	Draw Month 21	Draw Month 22	Draw Month 23	Draw Month 24	FINAL TOTAL	Balance (+or-) :
Constr. Lender: FRM - HMFA													1,800,000	0
FHLB													0	0
Solar													0	0
LJHTC Equity:													0	0
													650,000	0
													1,455,486	0
													0	0
TOT. SOURCES DURING CONSTRUCTION:	0	0	0	0	0	0	0	0	0	0	0	0	3,915,486	0

USE FOR TCAP DRAWS ONLY

Record and Return to:
Samantha Lopez, Paralegal
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Hudson County Register 20140313010018520 Bk: 8961 Pg:500 1/49
03/13/2014 03:35:10 PM AGREE
Pamela E. Gardner
Hudson County, Register of Deeds
Receipt No. 887730

**HARRISON SENIOR HOUSING
HMFA# 2756**

CDBG LOAN AGREEMENT AND DEED RESTRICTION

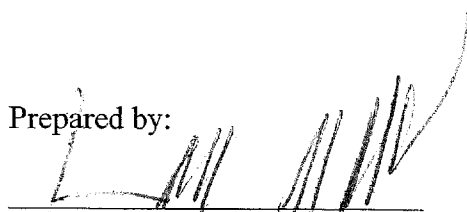
between

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

and

HARRISON SENIOR URBAN RENEWAL, LP

Prepared by:


Robert M. Purcell
Deputy Attorney General

CDBG LOAN AGREEMENT AND DEED RESTRICTION

BETWEEN

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

AND

HARRISON SENIOR URBAN RENEWAL, LP

THIS CDBG LOAN AGREEMENT AND DEED RESTRICTION (the "Loan Agreement") is hereby made on the 4th day of March 2014, by and between the NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY (the "Agency") and **HARRISON SENIOR URBAN RENEWAL, LP** having its offices located at 590 North 7th Street, Newark, New Jersey 07107 (hereinafter the "Sponsor" or "Borrower;" the Agency and the Sponsor are, collectively, the "Parties").

WITNESSETH:

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013 the "Act") to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds; and

WHEREAS, the New Jersey Department of Community Affairs' ("DCA") received a grant of CDBG funds provided by HUD pursuant to the Act and DCA allocated a portion of such funds to the Agency; and

WHEREAS, on June __, 2013, the DCA and Agency executed a Subrecipient Agreement in respect to the implementation and administration of the Community Development Block Grant ("CDBG" program; and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR Programs"); and

WHEREAS, the Agency approved, at its board meeting on April 25, 2013, the CDBG-DR Programs' guidelines, as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower seeks to construct fifteen (15) rental units and related facilities for a project commonly known as **Harrison Senior Housing, NJHMFA # 2756** (the "Project") and has requested construction and permanent financing from the Agency, which will be administered by the Agency; and

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, to evidence its understanding of the terms and conditions of the CDBG Loan and the CDBG Program requirements the Sponsor shall execute this Loan Agreement, a Mortgage and a Note in favor of the Agency that describe the terms and conditions of the CDBG Loan; and

WHEREAS, in consideration of the receipt of the CDBG financing, the Sponsor understands that the Project will be subject to tenant affordability restrictions and Agency oversight;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained the Parties do hereby covenant and agree each with the other as follows:

1. **Applicable Law:** This Loan Agreement shall be governed by and construed in accordance with the Disaster Relief Appropriations Act, 2013, Public Law 113-292 and any Treasury, HUD or DCA regulations, guidelines and applicable notices and bulletins thereto (the "Act") and the laws and regulations of the State of New Jersey including, but not limited to, the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301 et seq. (the "Fair Housing Act"), New Jersey Administrative Code, and the CDBG Guidelines (the "Guidelines" or "CDBG Guidelines"), all as may be amended and supplemented from time to time. Collectively these authorities are the "Applicable Law". To the extent possible, these authorities shall be construed in such a manner as to complement one another and not conflict. However, in the event of a conflict, the most restrictive authority shall prevail.
2. **Superiority:** Should any of the terms and conditions of this Loan Agreement conflict with those of the Mortgage and/or the Note, the provisions of this Loan Agreement shall prevail, except with respect to the CDBG Mortgage Addendum, which shall prevail over this Loan Agreement in the event of direct conflict.
3. **Amendments:** The parties agree to make no changes, amendments and/or to seek suspension or termination of this Loan Agreement without the prior written approval of the Agency.

4. **Proceeds:** Proceeds from the CDBG Loan shall be paid to the Sponsor at such times and in such manner as such funds are advanced by the Agency in accordance with payment procedures outlined in this Loan Agreement.

5. **Definitions:** Capitalized terms used herein shall have the following meanings:

"**Act**" means the Disaster Relief Appropriations Act, 2013 (Public Law 113-2, as amended) from time to time, and the regulations, guidelines and notices promulgated by HUD thereunder..

"**Affordable**" means the rents for units at the Project complies with the requirements of the New Jersey Fair Housing Act of 1985, N.J.S.A. 52:27D-301, and the regulations promulgated thereunder, including but not limited to the standards set forth in N.J.A.C. 5:80-26.12."

"**Agency**" means the New Jersey Housing and Mortgage Finance Agency or its authorized officer or representative.

"**Agency Financing**" means the construction and/or permanent mortgage loan(s) authorized by the Agency Board of Trustees for the Project.

"**Architect**" means the Architect of Record as designated by the Construction Contract.

"**Borrower**" means Harrison Senior Urban Renewal, LP, a New Jersey limited partnership

"**Code**" means the Internal Revenue Service Code of 1986, as it may, from time to time, be amended.

"**Commissioner**" means the Commissioner of the DCA.

"**Construction Completion Date**" means the date specified for completion of all stages of the work under the Construction Contract, which is December 2014, unless otherwise modified pursuant to the terms of the Construction Contract.

"**Construction Contract**" means the contract between the Borrower and the Contractor, for the construction /rehabilitation of the Project.

"**Construction Lender**" means in its role as Lender to the Borrower for the acquisition, and/or construction/rehabilitation of the Project, which construction loan is secured by a first mortgage, if applicable.

"**Construction Loan**" means the construction loan made to the Borrower by the Construction Lender to finance a portion of the cost of the acquisition and construction/rehabilitation of the Project as evidenced by a Note and secured by a Mortgage, if applicable.

"**Construction Period**" means the time period prior to the issuance of a Certificate of Occupancy for all of the units constructed on the premises.

"Contractor" means Del-Sano Contracting Corporation, a New Jersey corporation.

"Day" means calendar day unless otherwise indicated.

"Draw Schedule" means the schedule of all sources and uses of funding for the project to which this CDBG financing is provided.

"Energy Star" means the Agency's Energy Star program.

"Event of Default" means any of the events set forth in Section 24 of this Loan Agreement.

"Land" means the real property of the Project, described in Schedule "A" attached hereto.

"Loan Documents" means this Loan Agreement, the Mortgage, the Note and any other documents executed by Borrower related to the CDBG Loan.

"Mortgage" means the CDBG Mortgage and Security Agreement that secures the CDBG Loan and the CDBG Note and the terms of which, by reference hereto, are incorporated herein.

"Mortgaged Premises" means the Project and the Land that secure the CDBG Loan and Note.

"NJAG" means New Jersey Affordable Green Homes program and its requirements.

"Note" means the interest-bearing, conditional, non-recourse promissory note that contains the promise of the Borrower to pay the sum of money stated therein at the times stated therein, evidences the obligation of the Borrower to repay the CDBG Loan, and the terms of which, by reference hereto, are incorporated herein.

"Payment and Performance Bonds" mean the bond or bonds securing the payment of the Contractor's obligations to subcontractors and workers relating to the construction of the Project and the performance of the Work pursuant to this Loan Agreement and the Construction Contract. This definition shall also include any letter of credit, maintenance or warranty bond or other form of performance guarantee acceptable to the Agency.

"Plans and Specifications" means the plans and specifications for the Project submitted by the Architect.

"Project" means the real property as more specifically described in Schedule "A" attached hereto, and all improvements constructed thereon and personal property and fixtures located thereon pursuant to the Construction Contract.

"Qualified Project Period" means the period beginning on the first day on which 10 percent of the residential units in the Project are occupied and ending on the latest of--

- (i) the date which is 15 years after the date on which 50 percent of the residential units in the Project are occupied,
- (ii) the first day on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or
- (iii) the date on which any assistance provided with respect to the Project under Section 8 of the United States Housing Act of 1937 terminates, if applicable.

"Recapture" means the Project's loss of CDBG Funds not yet disbursed to it for failure to comply with the April 29, 2015 expenditure requirement as set forth at Section 11 hereof.

"Recapture Date" means the specific date or dates by which all of the CDBG Funds must be expended pursuant to the Act. Any CDBG Funds not expended by the Recapture Date will be recaptured and no longer available for use by the Project and may result in rescission of all CDBG Funds previously disbursed to the Project. For this Project, all CDBG Funds must be expended by April 29, 2015.

"Rules and Guidelines" includes all administrative rules, criteria, notices and program guidelines promulgated by the Agency to implement the CDBG Loan Program.

"Specifications" means the Project Specifications and all additions hereafter issued by the Architect as provided in the Loan Documents, together with such other addenda as may be agreed upon by the parties.

"Subcontractor" means those who directly contract with the Contractor to perform any part of the Work (as hereinafter defined), including those who furnish substantial on-site labor, or substantial on-site labor and materials, but shall not include anyone furnishing materials without furnishing on-site labor.

"Tax Credits" means low income housing tax credits that the Project may receive pursuant to the Code, if applicable.

"Title Company" means the New Jersey licensed title insurance firm that provides title insurance to the Agency for the CDBG Loan.

6. **The Act/Rules:** In addition to complying with any other laws, rules, regulations and other authorities that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the Act, the Rules and Guidelines.
7. **Federal Low Income Housing Tax Credits:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, the Sponsor shall comply with all applicable provisions of the statutes, regulations, rules, and other authorities governing federal low income housing tax credits ("Tax Credits"), including but not limited to, 26 U.S.C.A. § 42, 26 C.F.R. §§1.42-1 et seq., and N.J.A.C. 5:80-33.1 et seq.

8. **Agency Financing:** In addition to complying with any other laws, rules and regulations that may be applicable to the performance of this Loan Agreement, in the event the Project is receiving Agency Financing, the Sponsor shall comply with all applicable provisions of all statutes, rules, guidelines, policies, procedures and other authorities governing and regulating such Agency construction and/or permanent financing, including, but not limited to, N.J.S.A. 55:14K-1 et seq., N.J.A.C. 5:80-1.1 et seq., and the Agency Multifamily Underwriting Guidelines as currently in effect.
9. **Affordable Units:** The Sponsor will acquire/construct/rehabilitate fifteen (15) units, of which the Sponsor agrees to rent fifteen (15) of the units at the Project to tenants whose income does not exceed eighty (80%) percent of the area's median income ("AMI") adjusted for family size.
10. **Affordability Period; Advance Amortization Payments:** The Parties agree that this Project shall be primarily subject to the affordability restrictions governing and elected by the Sponsor with respect to any Tax Credits and Agency construction and/or permanent financing that this Project is receiving. Additionally, this Project shall be subject to the following affordability requirements:
- The units funded by the CDBG Loan ("Project Units") shall remain affordable for a period of thirty (30) years ("Affordability Period"). The Affordability Period shall commence simultaneously with the execution of this document.
 - Because the public purposes of the Agency include maximizing the period during which the residential units in the Project are available to persons of low and moderate income, any advance principal repayment shall not release the Borrower from any obligation incurred under the Note or under any agreement with the Agency that contains obligations that provide that a percentage of the units remain affordable to persons of low- and moderate-income for the Project's full Affordability Period. Such obligations shall remain whether or not Borrower has tendered to or deposited with the Agency an amount otherwise sufficient to pay the CDBG Loan, including interest accrued and payable, in full.
 - In addition, CDBG Loan requirements include the obligation of the Borrower to allocate 5% of units to be accessible for persons with mobility impairments, and an additional 2% of units to be accessible for persons with hearing and/or vision impairments.
11. **Timetable:** The timetable for this Project is as follows:
- | | |
|-------------------------------|-----------------|
| Financing closing date(s): | March 4, 2014 |
| Construction start date: | March 5, 2014 |
| Construction completion date: | January 5, 2015 |

THE PARTIES AGREE THAT TIME IS OF THE ESSENCE AND THAT ALL CDBG PROCEEDS MUST BE EXPENDED AND CONSTRUCTION OF ALL IMPROVEMENTS MUST BE COMPLETED NO LATER THAN APRIL 29, 2015. THEREFORE, ANY DELAY OF THESE EVENTS WITHOUT THE WRITTEN APPROVAL OF THE AGENCY IS A CONDITION THAT MAY LEAD THE AGENCY TO SUSPEND OR TERMINATE THIS LOAN AGREEMENT AND/OR RECAPTURE THE CDBG FUNDS. THE BORROWER SHALL IMMEDIATELY NOTIFY THE AGENCY IN WRITING WITHIN TEN DAYS OF ANY EVENT AFFECTING THE PROJECT'S IMPROVEMENTS COMPLETION, TIMETABLE, AND/OR FINANCING. FAILURE TO MEET THE ABOVE TIMETABLE MAY RESULT IN AN EVENT OF DEFAULT AS SET FORTH IN SECTION 24 HEREIN AND THE AGENCY'S EXERCISE OF ITS REMEDIES SET FORTH IN SECTION 25 OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, RECAPTURE OF ALL CDBG FUNDS COMMITTED TO THE PROJECT.

- 12. Construction of Project and Determination of Actual Project Cost.** The Borrower covenants, warrants and agrees to diligently proceed with the construction/rehabilitation of the Project in accordance with the Plans and Specifications for the Project as approved by the Agency.

No substantial revision of the approved Plans and Specifications, which revision would either (a) affect the nature of the Project as described in Section 3 of the Mortgage, or (b) in the aggregate increase the cost of the Project as shown on the Project Development Budget, may be made without the prior express written consent of the Agency. Construction of the Project shall at all times be subject to the inspection, review and approval of the Agency or its duly authorized representatives. Any such inspection, review or approval of the Agency shall be solely for its benefit for the purpose of assuring that the programs and goals of the Agency and the CDBG Program are being fulfilled and shall not be construed as making the Agency a party to any contract to which it is not already in connection with the construction of the Project, nor shall it relieve the Borrower of any of its obligations under this Loan Agreement, the Mortgage or the Note.

Upon completion of the Project, the Borrower shall certify to the Agency or its designee, successor and/or assign the actual cost of the Project. This cost certification shall be performed by a Certified Public Accountant chosen by the Borrower and approved by the Agency. The cost certification must be independent as defined by the American Institute of Certified Public Accountants. The Borrower shall, promptly upon completion of the cost certification, forward it to the Agency, its designee, successor and/or assign. Costs associated with the preparation of the cost certification shall be borne by the Borrower.

- 13. Termination:** In the event of termination of this Loan Agreement and the other Loan Documents due to an Event of Default of the Sponsor, the Agency, at its sole discretion, may require part or all of the CDBG Loan funds advanced to be returned to the Agency within 90 days of the date of termination or as otherwise required by USHUD; however, the Sponsor agrees that even in the event of such termination, all affordability restrictions created hereunder shall continue in full force and effect for the full Affordability Period as set forth in Section 10 hereof.

14. Use of Funds and Method of Payment: Funds provided for under this Loan Agreement will be used only for the purposes described in the Agency form 10, or as otherwise approved by the Agency.

- A. The Agency may establish a dedicated, interested-bearing Project escrow account for any or all CDBG Loan proceeds (the "Escrow Account") and disburse all payments from this account. All interest that accrues on the funds deposited in the Escrow Account must remain in that account and will be returned to the Agency, if applicable.
- B. The following items must be submitted to the Agency to begin drawdowns:
- 1) Original, executed Note;
 - 2) Copy of the executed Mortgage;
 - 3) Copy of this executed Loan Agreement;
 - 4) Proof from the Sponsor of all required insurances as outlined in this Loan Agreement, the Mortgage and the Note and as further required by the Agency and/or the Department;
 - 5) Completed requisition AIA G702/G703 forms for CDBG funds, with continuation sheets, to be signed by the Architect of record unless otherwise approved by the Agency;
 - 6) Certification of compliance with the provisions of the CDBG Mortgage Addendum.

Approved draws on CDBG Loan proceeds under this Loan Agreement are to be paid by the Agency within fifteen (15) business days of the Agency's receipt of each requisition and shall be paid in accordance with the following process, or as may be otherwise authorized, in writing, by the Agency:

- 1) Draws should be made in accordance with the attached Draw Schedule, and in accordance with the Schedule of Values or Trade Payment Breakdowns, unless otherwise approved by the Agency.
- 2) For each draw, the Agency shall require a completed CDBG Form of Requisition, along with any back-up documentation, as required. Additionally, a copy of the CDBG Requisition Form shall be sent to the Construction Lender or Lead Lender simultaneously with the submission to the Agency. A copy of any requisition submitted to the Construction Lender or Lead Lender shall also be sent simultaneously to the Agency.
- 3) For each draw, the Agency shall request a construction rundown search from the Title Company retained on behalf of the Project. Upon notice from the Title Company that there are no encumbrances against the title except as may be expressly approved by the Agency, and review of such rundown by the Agency, checks shall be issued to the designated vendors as authorized by the Sponsor, unless otherwise agreed upon, in writing, by the Agency and the Sponsor.
- 4) The Sponsor will submit to the Agency the final development-cost audit and a certificate of occupancy for all of the units constructed/rehabilitated on the Mortgaged Premises, along with

satisfying the Agency's document checklist requirements for final mortgage close-out.

5) Additionally, the following items are required to be submitted to the New Jersey Green Homes Office in connection with the NJAG program:

- Job/Site meeting minutes to date;
- Final Energy Star inspection reports;
- Proof of Energy Star certification (Energy Star certificate);
- Developer/Architect to submit a one-page narrative describing experiences and lessons learned as it relates to the green high performance features;
- Upon request, Sponsor to provide copies of invoices for NJAG funded materials or systems and copies of any certifications such as FSC or Smartwood chain of custody certificates;
- New Jersey Green Homes Office Fuel Release form from each tenant household.

15. **Use of Insurance Proceeds:** The Sponsor covenants and agrees to cause the buildings on the Land and any improvements thereto and the fixtures and articles on the Land and any improvements thereto (and the fixtures and articles of personal property covered by the Mortgage to be insured against loss by fire and by such other hazards as may be required by the Agency or its successors and/or assigns for the benefit of the Agency, as approved by the Agency and in accordance with the current Agency insurance requirements. Such insurance shall be written by such companies, in such amounts and in forms as are satisfactory to the Agency. The Sponsor will assign and deliver the certificates of insurance along with the insurance policies to the Agency. Such policies shall provide that the insurer may not cancel the policy and will not refuse to renew the policy except after thirty (30) days written notice to the Agency. If the Agency shall not receive evidence satisfactory to it of the existence of effective insurance coverage as required by the Agency, the Agency may (but shall not be required to) obtain such coverage, and the Sponsor will reimburse the Agency, on demand for any premiums paid for insurance procured by the Agency, and until so reimbursed, the amount of such premiums shall be added to the principal of the Note and bear interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency.

In the event of substantial damage to the Project by the occurrence of an insured casualty or the taking of a substantial portion of the Project by condemnation, if, in the sole judgment of the Agency (which judgment shall be conclusive), (a) the Project can be replaced or restored in whole or in part to a condition at least comparable to that of the Project immediately prior to the insured casualty or taking, and (b) the Project as so replaced will produce sufficient income to meet the then obligations of the Sponsor under the Mortgage and the Note, the proceeds of insurance or condemnation, if sufficient, to the extent necessary for the purpose, shall be made available to the Sponsor upon satisfaction by the Sponsor of the conditions precedent to disbursements, for such replacement or restoration. To the extent the Project is not replaced or restored, such proceeds shall be applied to the indebtedness secured hereby after payment of fees and

charges due and payable (as defined and provided for in the Mortgage). Nothing in this Section shall affect the lien of the Mortgage or the liability of the Sponsor for payment of the entire balance of the Mortgage indebtedness.

16. **Liens:** The Sponsor covenants, warrants and agrees to maintain its right, title and interest in the Mortgaged Premises (including the Project and Land) and all items enumerated in Section 5 of the Mortgage free and clear of all liens and security interests except the liens of the Mortgage, and the liens of other mortgagees described in Section 3 of the Mortgage and those exceptions identified and set forth in a certain title commitment issued by First American Insurance Company numbered NJFA13-0309 and dated December 4, 2013, as approved by the Agency. The Agency shall be furnished with a current standard ALTA form of title insurance policy with extended coverage, insuring that the Mortgage is a valid first lien on the Land and Project. Prior to any disbursement under this Loan Agreement and the Mortgage, the Sponsor shall provide evidence satisfactory to the Agency of the recording of the Mortgage. Except with the written consent of the Agency, the Sponsor will not install any item of tangible personal property as a part of the fixtures or furnishings of the Project that is subject to a purchase money lien or security interest.

17. **Encumbrances and Sale of Project:**

- a. The Sponsor covenants, warrants and agrees not to sell, lease or otherwise encumber the Mortgaged Premises, or any part thereof, or the rents or revenues thereof without the prior written consent of the Agency, except by leasing to eligible residential tenants.
- b. The Agency may allow certain "permitted encumbrances" on the Mortgaged Premises, which means (i) utility, access and other easements and rights of way, restrictions and exceptions that do not, individually or in the aggregate, materially impair the utility or value of the property affected thereby for the purposes for which it is intended; (ii) liens for taxes at the time not delinquent, (iii) liens for taxes which, if delinquent, are being contested in good faith and for which the Sponsor has provided security satisfactory to the Agency, (iv) liens superior to or subordinate to the lien of the Mortgage securing any monies loaned in connection with the Project or other monies loaned to the Sponsor by the Agency and any department, agency, public corporation or commission of the United States, the State of New Jersey or a political subdivision of the State of New Jersey.
- c. The Sponsor acknowledges and agrees that failure by the Sponsor to comply with Loan Agreement stipulations, standards, or conditions may give the Agency just cause to suspend this Loan Agreement and withhold further payments, prohibit additional obligations of Project funds pending corrective action, disallow all or part of the cost associated with the noncompliance, terminate this Loan Agreement or seek any other remedies that may be legally available.

18. **Inspection:** The Sponsor covenants, warrants and agrees to permit the Agency, its agents or representatives, to inspect the Mortgaged Premises at any and all reasonable times with or without notice.

19.

Statutory Powers and Restrictions: The CDBG Loan provided for herein shall be subject to statutory and regulatory restrictions contained in the Act and accompanying regulations and guidelines, and in connection therewith the Agency shall have the powers set forth in the Act as have been delegated by the Department, and the Sponsor hereby consents to such restrictions and powers and agrees to be bound thereby. Such powers and restrictions shall be in addition to and not in limitation of the rights of the Agency expressly set forth in the Loan Documents and in the statutes and regulations of the Agency. The Borrower covenants and agrees to comply with the CDBG rules, regulations, and guidelines. If any provision of this Loan Agreement shall be determined to be inconsistent with the CDBG Program rules, regulations and guidelines that have not been waived, the CDBG Program rules shall govern. The CDBG Program specifically requires that the Sponsor adhere to the requirements set forth in the CDBG Mortgage Addendum for the improvement work to be done at the Project, and such provisions are incorporated herein. In addition, the Parties confirm the following understandings:

- (a) The Agency and the Sponsor hereby declare their understanding and intent that the burden of the covenants, reservations and restrictions set forth in this Agreement touch and concern the Land in that the Sponsor's legal interest in the Project and Land is rendered less valuable thereby. The Agency and the Sponsor hereby further declare their understanding and intent that the benefit of such covenants, reservations and restrictions touch and concern the Project and Land by enhancing and increasing the enjoyment and use of the Project and the Land by the tenants, contemplated under this Agreement and by furthering the public purposes for which the CDBG Loan is made. The covenants, reservations and restrictions hereof shall apply uniformly to the entire Project and Land. Except as provided in subsection (b) below, the covenants, reservations and restrictions set forth herein shall be deemed covenants running with the Land and hereof and shall pass to and be binding upon the Sponsor's assigns and successors in title to the Land or Project. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project or the Land or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments. If a portion or portions of the Project or Land are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the Project and Land.
- (b) Upon termination of the "Affordability Period" set forth in Section 10 of this Agreement, the said covenants, reservations and restrictions shall expire and in such event, the Agency shall, at the expense of the Sponsor, execute any and all instruments reasonably required to evidence the record of cancellation or discharge of the aforesaid covenants, reservations and restrictions.
- (c) All terms and conditions of the attached CDBG Addendum are true and correct, and Borrower, its agents, licensees, invitees, contractors, architects, subcontractors and all other parties involved with the Project

shall comply with the terms in the Addendum before, during and after completion of the Project. A violation of the Addendum shall constitute a default under the Loan Documents and shall entitle the Agency to immediately declare the Mortgage due and payable.

20. **Energy Star:** All project owners must participate in the Agency's Energy Star program.
21. **Accounting in Event of Default:** Upon the occurrence of an Event of Default and within five (5) business days of demand therefor by the Agency, the Sponsor will furnish to the Agency in writing a statement of the principal amount remaining due on the Note together with a statement of any defenses which may exist as to any liability of the Sponsor under the Loan Documents.
22. **Personal Liability:** The Agency agrees, on behalf of itself and any future holder of this Loan Agreement, the Note and the Mortgage, that the liability of the Sponsor, any general or limited partner, member or shareholder of the Sponsor and their respective heirs, representatives, successors and assigns, for the payment and performance of its obligations hereunder and under the Note and the Mortgage, shall be limited to the collateral pledged under the Mortgage and that the Agency shall have no right to seek a personal judgment against the Sponsor, any general or limited partner, member or shareholder of the Sponsor or their respective heirs, representatives, successors and assigns, individually, but shall look only to such collateral for the payment and performance of such obligations; provided, however, that the Agency shall retain the right to exercise any and all remedies granted to it under the Loan Documents. The foregoing limitation of liability shall not apply to any party to the extent such party has committed fraudulent, criminal or other unlawful acts.
23. **Assignment by the Agency:** The Sponsor hereby consents to any assignment of the CDBG Loan and the Loan Documents by the Agency.
24. **Defaults:** Each of the following shall be an Event of Default:
 - (a) failure of the Sponsor to pay when due any installment of principal or interest on the CDBG Loan or any other payment required by the Sponsor to the Agency or any other person pursuant to the terms of the Loan Documents;
 - (b) commission by the Sponsor of any act prohibited by the terms of the Loan Documents, failure by the Sponsor to perform or observe in timely fashion any action or covenant required by any of the terms of the Loan Documents, or failure by the Sponsor to produce satisfactory evidence of compliance therewith;
 - (c) the filing by the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of any petition in bankruptcy or for reorganization or composition with creditors or the making of an assignment for the benefit of creditors;
 - (d) the filing against the Sponsor under any federal or state bankruptcy or insolvency law or other similar law of a petition seeking the Sponsor's adjudication as a bankrupt or the appointment of a receiver or other custodian

for the benefit of its creditors which shall not be dismissed within thirty (30) days of the filing thereof, or the adjudication of the Sponsor as a bankrupt, or the appointment by court order of a custodian (such as a receiver, liquidator or trustee) of possession of the Sponsor or any of its property for the benefit of its creditors and such order remains in effect or such possession continues for more than thirty (30) days;

- (e) the occurrence of substantial destruction of the Project by an uninsured casualty;
- (f) any representation in conjunction with the CDBG Loan, the Loan Documents or the Project by or on behalf of the Sponsor that is false or misleading in any material respect or any covenant or warranty of the Sponsor that is breached;
- (g) any breach by the Sponsor of its obligations or any failure to observe its covenants under any superior mortgage or note that results in an event of default thereunder, or the Sponsor's failure to observe the covenants as contained in any deed restriction associated with such superior mortgage or note, if applicable;
- (h) failure to obtain or retain the Agency Financing, if applicable;
- (i) failure to obtain or retain Tax Credits, if applicable;
- (j) failure to expend CDBG funds by April 29, 2015; or
- (k) use of CDBG funds for a use not permitted by Act, Rules and Guidelines; or
- (l) violation of the provisions of the CDBG Mortgage Addendum.

An event set forth in subsection(g) of this Section shall not constitute an Event of Default until the prohibited act, failure to perform or observe, or breach shall remain uncured for a period of thirty (30) days after Agency's written notice to Sponsor, specifying such prohibited act, failure or breach and requesting that it be remedied, unless the Agency shall agree in writing to an extension of such time prior to its expiration, and further so long as the event does not trigger a breach of the CDBG Program. If the prohibited act, failure, or breach stated in each notice is correctable but cannot be corrected within the 30 day period, the Agency may consent to an extension of up to 120 days from the delivery of the written notice referred to herein if corrective action is instituted by the Sponsor within the initial 30 day period and diligently pursued. The Agency will, simultaneously with sending to the Sponsor any notices under this Section send a copy of the aforementioned notices to the Sponsor's limited partner. To the extent the Event of Default is curable, a cure tendered in full, pursuant to the terms and conditions of this Loan Agreement and the other Loan Documents, by the Sponsor's limited partner shall be honored by the Agency.

Within five (5) business days of receiving notice from the Agency that it believes an Event of Default has occurred with respect to the Project, time being of the essence, the Sponsor shall furnish to the Agency, HUD and DCA, in writing, a statement of any defenses which it claims may exist as to any liability of the Borrower hereunder.

25. **Remedies:** Upon the occurrence of any Event of Default, the Agency, subject to any superior mortgages(s), may, at its option, take any one or more of the following actions or remedies and failure to exercise any remedy or take any action enumerated shall not constitute a waiver of such right or preclude a subsequent exercise by the Agency of any such remedy:

- a. Rescind any CDBG Funds if not expended by the Construction Completion Date as described in Section 11 hereof;
- b. declare the entire principal sum of the CDBG Loan, together with all other liabilities of the Sponsor under the Note and the Mortgage, to be immediately due and payable;
- c. cease making disbursements to the Sponsor or withhold or suspend, in whole or in part, funds awarded under the program or recover misspent funds following an audit;
- d. apply any reserves held by the Agency or the balance in the accounts for Project disbursements and revenues, or any combination of these moneys, to the payment of the Sponsor's liabilities hereunder;
- e. foreclose the lien of the Mortgage on the Mortgaged Premises. In any action to foreclose, the Agency shall be entitled to the appointment of a receiver of the rents and profits of the Project as a matter of right and without notice, with power to collect the rents, uses, and profits of the Project, due and becoming due during the pending of the foreclosure suit, such rents and profits being hereby expressly assigned and pledged as additional security for the payment of the indebtedness secured and evidenced by the Loan Documents without regard to the value of the Project or the solvency of any person or persons liable for the payment of the mortgaged indebtedness. The Sponsor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive the holder of the Mortgage of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provisions for the appointment of a receiver of the rents and profits and the assignment of such rents and profits, is made an express condition upon which the CDBG Loan hereby secured is made. Upon such foreclosure, the Agency shall have the right to have a receiver appointed for the Project and the rentals from the Project;
- f. take possession of all or part of the Mortgaged Premises, subject to rights of permitted superior lienholders;
- g. without judicial process, collect all rents and other revenue including federal and state subsidies as the agent of the Sponsor (which upon the occurrence of any Event of Default the Agency is deemed to have been irrevocably appointed by the Sponsor), and apply them at the Agency's option to the liabilities of the Sponsor under this Loan Agreement;

- h. take possession of equipment, appliances and other tangible personal property in which a security interest has been granted by the Loan Documents and dispose of the same in any commercially reasonable manner. The Agency shall have the option to dispose of any such equipment and personal property either separately from the Mortgaged Premises or in conjunction with a sale of the Mortgaged Premises, and the Sponsor agrees that either method of disposition shall be commercially reasonable; and/or
- i. sue the Sponsor for a mandatory injunction or other equitable relief requiring performance by the Sponsor of any of its obligations under the Loan Documents. The Sponsor agrees with the Agency that the Agency's remedy at law for the violation or the nonperformance of the Sponsor's obligations under the Loan Documents is not adequate by reason, among other things, of the Agency's public purpose to provide adequate, safe and sanitary dwelling units for families of low and moderate income; and/or
- j. If the event constitutes a violation of the CDBG Program to the extent that the Agency is required to refund monies disbursed to the Borrower back to DCA/HUD/the Federal Government, then the Borrower shall be responsible for refunding such monies to the Agency.

Notwithstanding the above enumeration of remedies, the agency shall have available to it any remedies provided to it by law.

26. Expenses Due to Default: All reasonable expenses (including reasonable attorney's fees, costs and allowances) incurred in connection with an action to foreclose the Mortgage or in exercising any other remedy provided by the Loan Documents, including the curing of any Event of Default, shall be paid by the Sponsor, together with interest at a rate equal to the yield rate on a 30-year U.S. Treasury bond at the time of making of such payment(s) by the Agency. Any such sum or sums and the interest thereon shall be a further lien on the Mortgaged Premises and shall be secured by the Mortgage.

27. Amendments, Notices, Waivers:

- a. This Loan Agreement may be amended only by an instrument in writing executed and acknowledged on behalf of the Agency and the Sponsor in such manner that the instrument may be recorded. No waiver by the Agency in any particular instance of any Event of Default or required performance by the Sponsor and no course of conduct of the Parties or failure by the Agency to enforce or insist upon performance of any of the obligations of the Sponsor under this Loan Agreement or the other Loan Documents at any time shall preclude enforcement of any of the terms of this Loan Agreement or the other Loan Documents thereafter.
- b. Any provision of this Loan Agreement and the other Loan Documents requiring the consent or approval of the Agency prior to the taking of any action or the omission of any action requires such consent by the Agency in writing signed by a duly authorized officer of the Agency. Any such consent or approval, unless it expressly states otherwise, is limited to the particular action or

omission referred to therein and does not apply to subsequent similar actions or omissions.

- c. Notice provided for under this Loan Agreement and the other Loan Documents shall be given in writing signed by a duly authorized officer and any notice required to be given hereunder shall be given by courier, regular mail, or by certified or registered mail, postage prepaid, return receipt requested, at the addresses specified below, or at such other addresses as may be specified in writing by the Parties hereto:

Borrower: Harrison Senior Housing Urban Renewal, LP
590 North 7th Street
Newark, New Jersey
Attention: John Westervelt

Borrower's Attorney: Berman Indictor LLP
2.0 University Place
30 North 41st Street, Suite 450
Philadelphia, PA 19104
Attention: Melissa Flanagan, Esq.

Agency: New Jersey Housing and Mortgage Finance Agency
637 S. Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085
Attention: Director of Finance

28. **Severability:** The invalidity of any part or provision of this Loan Agreement shall not affect the validity of the remaining portions thereof.

29. **Disclaimer of Warranties, Liability, Indemnification:**

- a. The Sponsor acknowledges and agrees that (i) the Agency has not heretofore and does not make any warranty or representation, either express or implied as to the value, condition, or fitness for particular purpose or fitness for any use of the Mortgaged Premises or any portion thereof or any other warranty or representation with respect thereto; (ii) in no event shall the Agency or its agents or employees be liable or responsible for any incidental, indirect, special, consequential, or punitive damages in connection with or arising out of this Loan Agreement, the Loan Documents or the development of the Project or the existence, functioning or use of the Project or any items or services provided for in the Mortgage; and (iii) during the term of this Loan Agreement and to the fullest extent permitted by law, the Sponsor shall indemnify and hold the Agency harmless against, and the Sponsor shall pay any and all liability, loss, cost, damage, claims, judgments or expense of any and all kinds or nature and however arising, imposed by law, which the Sponsor and the Agency may sustain, be subject to, or be caused to incur by reason of any claim, suit or action based upon personal injury, death or damage to property, whether real, personal or mixed, or upon or arising out of contracts entered into by the Sponsor, or

arising out of the Sponsor's ownership of the Project or out of the development, or management of the Project.

b. It is mutually agreed by the Sponsor and the Agency that the Agency and its directors, officers, agents, servants and employees shall not be liable for any action performed under this Loan Agreement or the other Loan Documents, and that the Sponsor shall hold them harmless from any claim or suit of whatever nature.

c. Any claims asserted against the Agency shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq. (except for N.J.S.A. 59:13-9 thereof) and the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

30. **Counterparts:** This Loan Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
31. **Venue:** If any legal action should be filed by the Borrower against the Agency in connection with the CDBG Loan, this Loan Agreement, or the other Loan Documents, the venue and forum for such action shall be the Superior Court of New Jersey, Mercer County.
32. **Filing:** This Loan Agreement shall be duly recorded in the Office of the Clerk for the county in which the Land is located at the sole cost and expense of the Borrower.
33. **Equal Opportunity and Non-Discrimination:** The Sponsor covenants, warrants and agrees that it will comply with the Agency guidelines with respect to equal opportunity and non-discrimination in its purchase of goods and services for the operation and maintenance of the Project throughout the term of this Loan Agreement.
34. **Applicability and Conflict of Terms and Conditions:** The terms and conditions of this Loan Agreement are applicable for the entire term of this Loan Agreement (as set forth in Section 10 hereof) unless otherwise set forth in this Loan Agreement. In the event of any conflict or inconsistency between the terms and conditions of any of the Loan Documents and this Agreement, the terms and conditions of this Loan Agreement shall prevail, except with respect to the terms contained in the CDBG Mortgage Addendum. Notwithstanding the foregoing, the Sponsor agrees that the Agency may render a decision concerning the intent and/or applicability of any term or condition of the Loan Documents and unless such decision is found to be arbitrary or capricious by a court of competent jurisdiction, the Agency decision shall be final.
35. **Miscellaneous:** Unless the context clearly requires otherwise, as used in this Loan Agreement and the other Loan Documents, words of the masculine, feminine or neutral gender shall be construed to include any other gender when appropriate and words of the singular number shall be construed to include the plural number, and vice versa, when appropriate. The Loan Documents and all the terms and provisions thereof shall be construed to effectuate the purposes set forth herein and to sustain the validity hereof.

The titles and headings of the sections of this Loan Agreement and the other Loan Documents have been inserted for convenience of reference only, and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof or be considered or given any effect in construing the Loan Documents or any provisions thereof or in ascertaining intent, if any question of intent shall arise.

**SEE CDBG LOAN AGREEMENT ADDENDUM ANNEXED HERETO AND
MADE A PART HEREOF**

THIS SECTION INTENTIONALLY LEFT OMITTED

IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below; the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

(SEAL)
WITNESS/ATTEST

BORROWER:
HARRISON SENIOR URBAN RENEWAL, LP
By: Harrison Senior GP Corp.,
Its General Partner

Benedict A. Balbo

John Westervelt
Name: John Westervelt
Title: President

(SEAL)
ATTEST

**NEW JERSEY HOUSING & MORTGAGE
FINANCE AGENCY on behalf of the
CDBG PROGRAM**

Jennifer H. Linett
Name: Jennifer H. Linett
Title: Assistant Secretary

By: James E. Robertson
Name: James E. Robertson
Title: Chief of Legal and Regulatory Affairs

This Loan Agreement has been reviewed and Approved as to form only.

JOHN J. HOFFMAN
Acting Attorney General of the State of New Jersey

By: Robert M. Purcell
Robert M. Purcell
Deputy Attorney General

IN WITNESS WHEREOF, this Loan Agreement is duly executed by the Sponsor and Agency on the date first set forth above and, by signing below; the Sponsor acknowledges that it has received a true copy of this Loan Agreement, without charge.

(SEAL)

WITNESS/ATTEST

BORROWER:

HARRISON SENIOR URBAN RENEWAL, LP

By: Harrison Senior GP Corp.,
Its General Partner

Name: John Westervelt

Title: President

(SEAL)

ATTEST

**NEW JERSEY HOUSING & MORTGAGE
FINANCE AGENCY on behalf of the
CDBG PROGRAM**

Name: Jennifer H. Linett
Title: Assistant Secretary

By: Donna A. Rendeiro
Name: Donna Rendeiro
Title: Chief of Administration

This Loan Agreement has been reviewed and Approved as to form only.

JOHN J. HOFFMAN

Acting Attorney General of the State of New Jersey

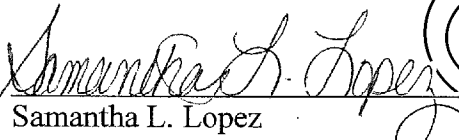
By:

Robert M. Purcell
Deputy Attorney General

STATE OF NEW JERSEY, COUNTY OF MERCER SS:

I CERTIFY that on March 4, 2014 Jennifer H. Linett, personally came before me, Samantha L. Lopez and acknowledged under oath, to my satisfaction, that (a) she is the Assistant Secretary of NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY acting on behalf of the COMMUNITY DEVELOPMENT BLOCK GRANT DIASTER RECOVERY PROGRAM, the Agency named in this document; (b) she is the attesting witness to the signing of this document by the proper Agency officer, who is Donna Rendeiro, Chief of Administration of the Agency; (c) this document was signed and delivered by the Agency as its voluntary act duly authorized by a proper resolution of its Board of Directors; and (d) he signed this proof to attest to the truth of these facts.

SWORN TO AND SUBSCRIBED
before me, the date aforesaid.


Samantha L. Lopez
Notary Public of New Jersey
My commission expires: November 19, 2018

STATE OF NEW JERSEY)
) SS:
 COUNTY OF MERCER)

I CERTIFY that on February 12, 2014, John Westervelt personally came before me, the subscriber, a Notary Public of the State of New Jersey, and acknowledged under oath, to my satisfaction that (a) he is the President of Harrison Senior GP Corp, the general partner of Harrison Senior Urban Renewal, LP, the limited partnership named in this document; and (b) he executed and delivered this document as the voluntary act of the limited partnership duly authorized by the Partners.

Benedict Lo Balbo

Name: Benedict Lo Balbo

Notary Public of New Jersey

My Commission Expires: Nov. 13, 2018

BENEDICT LOBALBO
 NOTARY PUBLIC STATE OF NEW JERSEY
 No. 2379964
 QUALIFIED IN UNION COUNTY
 COMMISSION EXPIRES: NOVEMBER 13, 2018

"SCHEDULE A"



*First American
Title Insurance Company*

LEGAL DESCRIPTION

File No. NJFA13-0309MM

Policy No. PROFORMA

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Harrison Town, County of Hudson and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

- (1) North 01 degrees 48 minutes East 101.86 feet; thence
- (2) Southerly 87 degrees 50 minutes West 44.51 feet; thence
- (3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence
- (4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

- (1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence
- (2) North 87 degrees 50 minutes East 4.00 feet; thence
- (3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence
- (4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

TOGETHER with the rights granted in that certain Agreement dated September 23, 1924, and recorded in Book 1537 at page 308.

Said property also being described as ALL THAT CERTAIN LOT beginning at a point in the Northerly line of Harrison Avenue, a distance of 41.00 feet Easterly from its intersection with the Easterly line of Franklin Avenue, running thence;

- (1) North 88 degrees 08 minutes East, along the Northerly line of Harrison Avenue, a distance of 41.53 feet to a point; thence
- (2) North 01 degree 45 minutes 46 seconds East, a distance of 101.87 feet to a point; thence
- (3) South 87 degrees 50 minutes West, a distance of 48.51 feet to a point; thence
- (4) South 02 degrees 10 minutes East, and parallel with Franklin Avenue, a distance of 101.41 feet to a point in the Northerly line of Harrison Avenue, said point being the point or place of beginning.

The above description is in accordance with a survey prepared by Caulfield Associates, LLP dated June 14, 2013.



*First American
Title Insurance Company*

LEGAL DESCRIPTION

(continued)

File No. NJFA13-0309MM

Policy No. PROFORMA

KNOWN as Lot 6, Block 50.B, as shown on the Official Tax Assessment Map for Harrison, Hudson County, New Jersey, and more commonly known as 774 Harrison Avenue, Harrison, NJ.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION

CDBG LOAN AGREEMENT ADDENDUM

WHEREAS, the Borrower, Harrison Senior Urban Renewal, LP, seeks to construct fifteen (15) rental units and related facilities for a project commonly known as Harrison Senior Housing, NJHMFA # 2756 (the "Project") and has requested construction and permanent financing from the New Jersey Housing and Mortgage Finance Agency (the "Agency"), which will be administered by the Agency; and

WHEREAS, contemporaneously herewith Borrower has executed a Note, Mortgage, Loan Agreement and other loan documents evidencing a CDBG loan from the Agency (hereinafter referred to as the "CDBG Loan"); and

WHEREAS, in the aftermath of Superstorm Sandy, the United States Congress enacted the Disaster Relief Appropriations Act of 2013 (Public Law 113-2, approved January 29, 2013) to aid in the recovery of the State of New Jersey (the "State"); and

WHEREAS, on April 29, 2013, the Department of Housing and Urban Development ("HUD") approved the Action Plan of the State (the "Action Plan"), which demonstrated how the State intended to expend the disaster relief funds ("Action Plan"); and

WHEREAS, consistent with the Action Plan, the Agency created the Fund for Restoration of Multi-Family Housing, and the Sandy Special Needs Housing Assistance Fund ("CDBG-DR Programs"); and

WHEREAS, the Agency approved, at its board meeting of April 25, 2013, the CDBG-DR Programs' guidelines as subsequently amended (collectively the "Guidelines"); and

WHEREAS, the Borrower has met the eligibility requirements of the CDBG-DR Programs, in accordance with the requirements of the Guidelines and in accordance with the terms and conditions of this Addendum; and

WHEREAS, in order for the Borrower to be eligible to receive and utilize the CDBG Loan, it must also certify that it will comply with certain provisions of the Guidelines as are set forth below;

NOW, THEREFORE, Borrower, for and in consideration of the CDBG Loan, and intending to be legally bound hereby, agrees that the Mortgage shall be amended to include the following provisions and that these provisions shall be paramount and

controlling as to the rights and obligations of the Borrower and the Agency and shall supersede any other provisions of the Mortgage and other Loan Documents to the contrary:

STANDARD PROVISIONS

GENERAL

1. Borrower's Representations

- (i) Borrower has been duly organized and validly exists, has power to enter into the Mortgage, Loan Agreement and other Loan Documents and this Addendum and has authorized the signing of the Loan Documents and this Addendum and taking the actions contemplated by this Addendum.
- (ii) To the best of the Borrower's knowledge, and upon due inquiry, there is no action or proceeding, pending or threatened, against the Borrower before any court or administrative agency that might adversely affect the ability of the to perform its obligations under the Loan Documents and this Addendum and all consents, authorizations, and approvals of governmental bodies or agencies required in connection with the performance of the Borrower's obligations under the Loan Documents and this Addendum have been obtained and will be obtained whenever required hereunder or by law.
- (iii) Neither the execution and delivery of the Loan Documents nor this Addendum and the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of the Loan Documents and this Addendum is prevented, limited by, or conflicts with or results in a breach of, the terms, conditions, or provisions of any corporate restrictions or any evidence of indebtedness, agreement, or instrument of whatever nature to which the is bound, or constitutes a default under any of the foregoing.
- (iv) All statements, representations and warranties made by Borrower in the Loan Documents were true when made, are true, in all material respects, as of the date hereof, and shall remain and be true and correct during the term of the Loan Documents, it being understood by Borrower that all such statements, representations and warranties have been relied upon by the Agency as an inducement to make the Agency funding and shall continue to be relied upon by the Agency in administering the Agency funding. Borrower further understands and agrees that, if, during the term of the Mortgage and other Loan Documents, any such statements, representations and warranties become untrue or false, it shall have a duty to immediately notify the Agency in writing of such fact.
- (v) Borrower represents that it has at all times relevant to the CDBG Loan been represented by advisors of its own selection, including, but not limited to, attorneys at law and/or certified public accountants; that it has not relied upon any statement, representation, warranty, agreement or information provided by the Agency; that it acknowledges that it is informed by its advisors of its respective rights, duties, and obligations with respect to the transaction which is the subject of the Loan Documents under all applicable laws, and that it has

no set-offs, defenses or counterclaims against the Agency with respect to the transaction.

- (vi) The representations and warranties made in this Paragraph shall survive the expiration or earlier termination of the Loan Documents.
- (vii) If during the duration of the Loan Documents the Borrower becomes aware of any facts, occurrences, information, statements, or events that render any of the foregoing representations or warranties herein untrue or materially misleading or incomplete, it shall immediately notify the Agency in writing of such facts, occurrences, information, statements or events.

2. WARRANTIES AND COVENANTS

- (i) Borrower shall use the Agency funding solely in connection with funding the Project. The Agency funding may be used solely for the purposes contemplated by the Mortgage and other Loan Documents.
- (ii) In relation to the Project, Borrower shall comply with all Federal, State and municipal laws, rules and regulations applicable to all activities it performs and those that are performed on its behalf.
- (iii) Borrower acknowledge that the use of small businesses, minority owned firms and women's business enterprises for contractors, suppliers, labor and products is preferred and agrees that, to the extent feasible and as represented in its Proposal, it shall use such businesses in connection with the Project.
- (iv) Borrower agrees that all hired Contractors and Sub-contractors are not on the Federal excluded parties list.
- (v) Borrower shall execute an agreement with each Contractor containing labor standards and other required provisions, such as equal opportunity and general conditions. This may be accomplished by the execution of a CDBG Contractor's Addendum as provided to Borrower by the Agency.
- (vi) Borrower acknowledges that all construction work will have received environmental approval from the New Jersey Department of Environmental Protection ("DEP") and/or the Agency prior to the commencement of any construction.

3. ASSIGNMENTS

Borrower shall not assign its interests in the Loan Documents to another without the prior written consent of the Agency. Unless otherwise indicated by the Agency in writing, any obligations hereunder shall become the obligations of any assignee or successor of the Borrower.

4. MISCELLANEOUS

- (i) **Forum and Venue.** Unless otherwise provided, all actions related to the matters which are the subject of this Addendum shall be formed and venue in a court of competent jurisdiction in Mercer County New Jersey.
- (ii) **Entire Agreement.** This Addendum along with the Loan Documents and any documents referred to herein constitute the complete understanding of the Agency and the Borrower (hereinafter, collectively referred to as the "Parties") and merge and supersede any and all other discussions, agreements and

understandings, either oral or written, between the Parties with respect to the subject matter of this Addendum.

- (iii) **Severability.** Whenever possible, each provision of this Addendum shall be interpreted in such manner as to be effective and valid pursuant to applicable law, but if any provision of the Loan Documents or this Addendum is held to be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions of this Addendum, unless the Agency shall in its sole and absolute discretion deem the invalidated provision essential to the accomplishment of the public purposes served by the Loan Documents and this Addendum, in which case the Agency has the right to terminate the Loan/Loan Documents and all benefits provided to Borrower hereunder upon the giving of sixty (60) days prior notice.
- (iv) **Compliance with All Applicable Law.** Failure to expressly reference any applicable federal or State regulation, statute, public law, Executive order, agency directive or OMB Circular will not exempt Borrower from compliance with such applicable law or regulation, and all applicable provisions not included will be deemed as inserted herein.
- (v) **Amendments or Modifications.** The Loan Documents and this Addendum may only be amended in writing executed by both Parties. Such Amendments or Modifications shall become effective only upon execution of same by both Parties.
- (vi) **Notices.** All notices, requests and other communications shall be in writing and shall be deemed duly given [when personally delivered or sent by United States mail, registered or certified, return receipt requested, postage prepaid] to the addresses set forth hereunder

Agency: **New Jersey Housing and Mortgage Finance Agency**
 637 South Clinton Avenue
 PO Box 18550
 Trenton, New Jersey 08550-2085
 Attention: Director, Multifamily Lending

Borrower: **Harrison Senior Housing Urban Renewal, LP**
 590 North 7th Street
 Newark, New Jersey
 Attention: John Westervelt

- (vii) **Contractual Liability Act.** The rights and remedies of the under the Loan Documents and this Addendum shall be subject to the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq., the provisions of which are incorporated herein by reference. While this statute is not applicable by its terms to claims arising under the Loan Documents Borrower agrees that it shall be applicable to claims arising under this Addendum or any other documents associated with this Project. Further, it is acknowledged by the parties that the Agency is a public entity covered by the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:1-1 et seq.

UNIFORM ADMINISTRATIVE REQUIREMENTS

Borrower shall adhere to the following administrative requirements:

1. DUPLICATION OF BENEFITS

Borrower will adhere to 76 FR 71060 (published November 16, 2011) regarding duplication of benefit requirements applicable to the Community Development Block Grant-Disaster Recovery ("CDBG-DR") program.

2. CONFLICT OF INTEREST

Borrower has reviewed and shall adhere to the Agency's Conflict of Interest policy, which incorporates both the State Conflict of Interest Law, N.J.S.A. 52:13D-1 et seq. and applicable federal law. It will abide by and enforce the conflict of interest requirement set forth in 24 CFR §570.611, 24 CFR §85.36 and 24 CFR §84.42. No one who exercises any functions or responsibilities, or who is in a position to participate in a decision-making process or gain inside information, may obtain a financial interest or benefit from a CDBG-assisted activity (or have a financial interest in any Loan, contract, sub-contract, or agreement with respect to a CDBG assisted facility.)

3. HATCH ACT

Borrower covenants that no Agency funding shall be used to finance the use of facilities or equipment for political purposes, or engage in other partisan activities (e.g. candidate forums, voter transportation, or voter registration). It will comply with the provisions of the Hatch Act that limit the political activity of employees and the HUD regulations governing political activity at 24 CFR §570.207.

4. RELIGIOUS ACTIVITY

Borrower will comply with HUD rules prohibiting the use of CDBG funds for inherently religious activities, as set forth in 24 CFR §570.200(j), except for circumstances specified in the HUD Allocations, Common Application, Waivers, and Alternative Requirements for Grantees Receiving Community Development Block Grant (CDBG) Disaster Recovery Funds in Response (March 5, 2013). Funding for rehabilitating or reconstructing a storm-damaged or destroyed building may be appropriate where a facility is not used exclusively for the benefit of the religious congregation (i.e., a homeless shelter, food pantry, adult literacy or child care center). When used for both religious and secular purposes, CDBG-DR funds may pay the portion of eligible rehabilitation or construction costs attributable to the non-religious use.

5. RECORDS

- (i) Borrower will give the State and HUD, and any of their representatives or agents, access to and the right to examine all records, books, papers, or documents related to the Agency funding.

(ii) All records required by the Loan Documents and this Addendum, including financial records, ledgers, bank statements, contracts, invoices and receipts related to the Agency funding must be retained for five years from Project Closeout, which is deemed after the affordability period has expired. However, if any litigation, claim, or audit is started before the expiration of the five (5) year period, then records must be retained for five (5) years after the litigation, claim, or audit is resolved. All of Borrower's books and records relating to the Agency funding will be located at 590 North 7th Street, Newark, New Jersey 07107.

(iii) Borrower will notify the Agency in writing of any change in the location of such books and records prior to any such relocation. Borrower agrees to grant access to inspect, copy, audit and examine at all reasonable times these records to any representative of the Agency, State, Inspector General, HUD and General Accounting Office of the United States.

6. LOBBYING

Borrower certifies that no federally appointed funds will be used for lobbying purposes regardless of level of government.

7. DRUG FREE WORKPLACE

Borrower will comply with the drug-free workplace requirements contained at 24 CFR, Part 24, and Subpart F and established by the Drug-Free Workplace Act

8. COMPLIANCE WITH LAW

Borrower agrees to comply with the following requirements:

- a. Borrower agrees to comply with all applicable federal, State and local laws, regulations and policies governing the Agency funding available under the Loan Documents and this Addendum to supplement rather than supplant funds otherwise available.
- b. Borrower agrees that its Contractor and Sub-Contractors are not and will not be on the list of excluded from Federal Procurement or Non-procurement Programs promulgated in accordance with Executive Orders 12549 and 12689, "Debarment and Suspension," as set forth at 24 CFR part 24 (CDBG funds may not be provided to excluded or disqualified persons).
- c. Borrower shall comply with the following mandatory provisions relating to **FINANCIAL MANAGEMENT AND PROCUREMENT**:
 1. If you are a non-profit, guidelines for financial and compliance audits of federally assisted programs which are OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations), revised, and administrative requirements for non-profits, 24 C.F.R. Part 84.

2. 24 CFR 570.490: Recordkeeping requirements, which requires that all records be kept for a minimum of five years after grant close-out ; and
3. Borrower will comply with all requirements imposed by the State concerning special requirements of law, program requirements, and other administrative requirements.

d. Borrower will adhere to 24 CFR Section 570.489(j) regarding change of use of real property. These standards apply to real property within Owner's control which was acquired in whole or in part using CDBG-DR funds in excess of the small purchase procurement threshold in 24 CFR 85.36. These standards apply from the date CDBG-DR funds are first spent until five years after the closeout of the Program.

Borrower may not change the use or planned use of any property (including the beneficiaries of such use) from that for which the acquisition or improvement was made, without first providing citizen review and comment and either:

1. The new use meets one of the national objectives and is not a building for the general conduct of government;
2. The requirement of 24 CFR Section 570.489(j) are met.

9. ENVIRONMENTAL IMPACT

Borrower may not begin any Project Activities without prior written consent of the Agency, as follows.

For all activities undertaken, Borrower agrees to provide information as needed to the DEP and/or the Agency for site-specific activities.

This will include, but is not limited to:

- a. Providing the names of all facilities receiving federal assistance so that the DEP and/or the Agency can ensure that the facilities are not listed on the United States Environmental Protection Agency's (EPA) list of violating;
- b. Providing site-specific information regarding the age, location and prior ground disturbance of all facilities assisted, to determine compliance requirements with Section 106 of the National Historic Preservation Act of 1966, and the Preservation of Archaeological and Historical Data Act of 1966. And the provisions of 24 CFR Part 55 and Executive Order 11988, as amended by Executive Order 12148, relating to evaluation of flood hazards;
- c. Complying with the flood insurance purchase requirement of Section 202(a) of the Flood Disaster Protection Act of 1973, 42 U.S.C. §4001 et seq., which requires the purchase of flood insurance in communities where such insurance

is available as a condition for the receipt of any federal financial assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of HUD as an area having special flood hazards. For purposes herein, the phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any other form of direct or indirect federal funding. Additionally:

- I. *Flood insurance purchase requirements.* HUD does not prohibit the use of CDBG-DR funds for [existing residential buildings] in the Special Flood Hazard Area (SFHA) (or "100-year" floodplain). With respect to flood insurance, a HUD-assisted [homeowner] for a property located in the SFHA must obtain and maintain flood insurance in the amount and duration prescribed by FEMA's National Flood Insurance Program. Section 102(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) mandates the purchase of flood insurance protection for any HUD assisted property within the SFHA.
- II. *Future Federal assistance to Borrowers remaining in a floodplain.* (1) Section 582 of the National Flood Insurance Reform Act of 1994, as amended, (42 U.S.C. 5154a) prohibits flood disaster assistance in certain circumstances. No Federal disaster relief assistance may be used to make a payment (including any loan assistance payment) to a person for repair, replacement, or restoration for damage to any personal, residential, or commercial property if that person at any time has received Federal flood disaster assistance that was conditioned on the person first having obtained flood insurance and the person has subsequently failed to obtain and maintain flood insurance. Borrower may not receive CDBG disaster assistance for the repair, replacement, or restoration if it has failed to meet this requirement.
- III. In the event of transfer of any property having received CDBG-DR assistance, the Borrower will notify the transferee in writing of the requirements to 1) Obtain flood insurance, if the property is not insured as of the date of transfer; 2) Maintain flood insurance; 3) Require the transferor, if there is failure to notify the transferee, to reimburse the federal government in the amount of any subsequent disaster relief assistance if such funds are expended on the property after the date of transfer.
- IV. Borrower will cooperate with the DEP and/or the Agency so that all assisted properties will be elevated, repaired, reconstructed or newly-constructed (including both commercial and residential properties) in accordance with the newly-released FEMA Base Flood Elevation Maps (reference table 2-6 in the state's Action Plan).
- V. In accordance with 24 CFR 58.6(b), Borrower acknowledges that the Agency will not provide any Agency funding to a small business that had previously received federal flood disaster assistance conditioned on obtaining and maintaining flood insurance and the small business failed to obtain and maintain such insurance.
- VI. The Borrower acknowledges that any facility to be utilized in the performance of any nonexempt contract or subcontract is not listed on

the List of Violating Facilities, issued by the EPA pursuant to 40 CFR 15.20.

VII. Prompt notice must be given of any notification received from the Director, Office of Federal Activities, and EPA, indicating that a facility utilized or to be utilized for the Loan under consideration is to be listed on the EPA list of Violating Facilities.

VIII. In no event shall any amount of assistance provided under this ADDENDUM be utilized with respect to a facility which has given rise to a conviction under section 113(c) (1) of the Clean Air Act or Section 309(c) of the Federal Water Pollution Control Act.

IX. The Borrower agrees to comply with all the requirements of section 114 of the Clean Air Act, as amended (42 USC 1857c-8-0 and section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said section 114 and 308, and all regulations and guidelines issued thereunder.

X. The Borrower acknowledges that all work has ceased on the Project pending final DEP and/or Agency environmental review approval.

XI. Borrower will comply with:

1. Executive Order 11990, Protection of Wetlands;
2. the Coastal Zone Management Act Sections 307(c)(d);
3. In relation to water quality:
 - a. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution;
 - b. The Safe Drinking Water Act of 1974 (42 U.S.C. §§ 201, 300(f) et seq. and U.S.C. §349), as amended, particularly Section 1424(e) (42 U.S.C. §§ 300h-303(e)), which is intended to protect underground sources of water. No commitment for federal financial assistance can be entered into for any project which the U.S. Environmental Protection Agency determines may contaminate an aquifer which is the sole or principal drinking water source for an area; and
 - c. Executive Order 12088, as amended by Executive Order 12580, relating to the prevention, control and abatement of water pollution; The Federal Water Pollution Control Act of 1972, as amended, including the Clean Water Act of 1977, Public Law 92-212 (33 U.S.C. §1251, et seq.) which provides for the restoration and maintenance of the chemical, physical and biological integrity of the nation's water.
4. The Endangered Species Act of 1973 (50 CFR 402), as amended;

5. The Fish and Wildlife Coordination Act of 1958, as amended;
6. Wild and Scenic Rivers Act of 1968 {Sections 7(b) and (c)}, as amended;
7. Executive Order 11738, providing for administration of the Clean Air Act and the Federal Water Pollution Control Act With Respect to Federal Contracts, Grants, or Loans, and EPA regulations (40 CFR part 15);
8. The Clean Air Act of 1970 (Sections 176(c), (d), and 40 CFR 6, 51.93), which prohibits engaging in, supporting in any way, or providing financial assistance for, licensing or permitting, or approving any activity which does not conform to the State implementation plan for national primary and secondary ambient air quality standards;
9. The Farmland Protection Policy Act, 7 U.S.C.A. §4201 et seq., which requires recipients of federal assistance to minimize the extent to which their projects contribute to the unnecessary and irreversible commitment of farmland to nonagricultural uses;
10. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994;
11. Noise abatement and control requirement found at 24 CFR 51B;
12. Provisions of 24 CFR 51C, explosive and flammable operations;
13. Provisions of 24 CFR 58.5(i) relating to toxic chemicals and radioactive materials;
14. [Sections 1012 and 1013 of Title X of the Housing and Community Development Act of 1992 (Public Law 102-550, as amended). The regulation appears within Title 24 of the Code of Federal Regulation as part 35 (codified in 24 CFR 35). The purpose of this regulation is to protect young children from lead-based paint hazards in housing that is financially assisted by the Federal government or sold by the government. This regulation applies only to structures built prior to 1978. It will also comply with the Lead Safety Housing Regulation covering prohibited methods of paint removal (24 CFR Part 35.140) and occupant protection (24 CFR Part 35.1345);]

15. Borrower will comply with the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6901, et seq.);
16. Borrower will comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat. 871).

XII. Borrower agrees that the use of lead-based paint, that is any paint containing more than 1%- lead by weight, is strictly prohibited from use on any interior surface or exterior surface in any building being rehabilitated. Additionally, any evidence of a health hazard, which is, defined as cracking, scaling, peeling and loose, lead-based paint must be treated to prevent the ingestion of the contaminated paint. It is further necessary to assume that any of the above conditions constitute an immediate or potential hazard and must be corrected using appropriate methods as detailed in Title IV of the Lead Based Paint Poisoning Prevention Act.

10. LABOR STANDARDS

1. Borrower will adhere to the labor standards requirement set forth in 24 CFR §570.603 and any other regulations issued to implement such requirements;
2. Borrower will comply with Section 110 of the Housing and Community Development Act of 1974, as amended and as set forth in 24 CFR §570.603;
3. Borrower will comply with the Davis-Bacon Act, as amended (40 U.S.C. §3141 et seq.);
4. Borrower acknowledges that the prevailing wage rate shall be determined by the Davis-Bacon Act and not State prevailing wage pursuant to N.J.S.A. 55:14K-42.
5. Borrower will comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. §327 et seq.), requiring that mechanics (and laborers) (including watchmen and guards) employed on federally assisted contracts, be paid wages of not less than one and one-half times their basic wage rates for all hours worked in excess of forty in a work-week;
6. Borrower will comply with the Federal Fair Labor Standards Act (29 U.S.C. §201 et seq.), requiring that covered employees be paid at least the minimum prescribed wage, and also that they be paid one and one-half times their basic wage rate for all hours worked in excess of the prescribed work-week;
7. Borrower will comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3);

8. Borrower will comply with the following HUD regulations and/or guidance:

- 24 CFR 570.489(l): Debarment and suspension.
- 24 CFR 570.603: Labor standards.
- 24 CFR 570.609: Use of debarred, suspended, or ineligible contractors or sub-recipients.
- Form HUD 4010 Federal Labor Standards Provisions

9. Borrower will comply with the following United States Department of Labor regulations in parallel with HUD requirements above:

- 29 CFR Part 1: Procedures for Predetermination of Wage Rates.
- 29 CFR Part 3: Contractors and Sub-contractors on Public Building or Public Work Financed In Whole or In Part by Loans or Grants from the United States.
- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
- 29 CFR Part 5: Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also, Labor Standards Provisions Applicable to Non-construction Contracts Subject to the Contracts Work Hours and Safety Standards Act).
- 29 CFR Part 6: Rules of Practice for Administrative Proceedings Enforcing Labor Standards in Federal and Federally Assisted Construction Contracts and Federal Service Contracts.
- 29 CFR Part 7: Practice before the Administrative Review Board With Regard to Federal and Federally Assisted Construction Contracts.

11. EQUAL OPPORTUNITY

For Contracts above \$10,000:

1. During the Agency funding term, the Borrower agrees as follows:
 - a) It will not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, creed, color, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of the nondiscrimination clause.
 - b) It will, in all solicitations or advertisements for employees, state that all qualified applicants will receive considerations for employment without

- c) regard to race, color, religion, sex, or national origin. It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other Contract or understanding, a notice to be provided advising the said labor union or workers' representatives of their commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- d) It will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.
- e) It will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- f) In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of the said rules, regulations, or orders, this Loan may be canceled, terminated, or suspended in whole or in part and the Borrower may be declared ineligible for further Government Contracts or federally assisted construction contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- g) It agrees to include the provisions a through f in this Equal Opportunity Section in every contract, sub-contract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to section 204 of executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor.
- h) It agrees to comply with Executive Order 11246 as to maintaining non-segregated facilities and establishments and does not permit employees to perform services at any location under their control where segregated facilities are maintained.

For Loans \$10,000 and below:

- a) Borrower shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. It shall take affirmative action to ensure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
- b) It shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-

discrimination clause. They shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

- c) The Borrower and all contractors and sub-contractors shall incorporate the foregoing requirements in all contracts.

12. ACQUISITION AND RELOCATION

Borrower agrees to comply with the following statutes and regulations:

1. Title II (Uniform Relocation Assistance) and Sections 301-304 of Title III (Uniform Real Property Acquisition Policy) of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. Chapter 61), and HUD implementing instructions at 24 CFR Part 42 and 24 CFR §570.606;
2. Section 104(d) of the Housing and Community Development Act of 1974, as amended;
3. It will comply with 42 U.S.C. 3537c (Prohibition of Lump Sum Payments);
4. It will comply with 49 CFR Part 24 (Uniform Relocation and Real Property Acquisition ("URA") for Federal and Federally-Assisted Programs);
5. URA Fixed Residential Moving Cost Schedule;
6. 24 CFR Part 42 (Displacement, Relocation Assistance and Real Property Acquisition for HUD and HUD-Assisted Programs); and
7. 24 CFR 570.606 (Displacement, Relocation, Acquisition and Replacement of Housing).

Borrower agrees to provide relocation assistance to those that are displaced as a direct result of acquisition, rehabilitation, demolition or conversion for a CDBG-DR assisted project, with the exception of:

1. The one-for-one replacement requirements at Section 104(d)(2)(A)(i)-(ii) and (d)(3) and 24 CFR 42.375 which have been waived by HUD;
2. The relocation assistance requirements at section 104(d)(2)(A) and 24 CFR 42.350 to the extent that they differ from the requirements of the URA and implementing regulations at 49 CFR part 24, as modified by the Act for activities related to disaster recovery;
3. Arms-length voluntary purchase requirements at 49 CFR 24.101(b)(2)(i)-(ii) are waived to the extent that they apply to an arm's length voluntary purchase carried out by a person who uses funds allocated under this Addendum and does not have the power of eminent domain;

4. Rental assistance to a displaced person: The requirements at sections 204(a) and 206 of the URA, and 49 CFR 24.2(a)(6)(viii), 24.402(b)(2), and 24.404 are waived to the extent that they require the Borrower to use 30 percent of a low-income displaced person's household income in computing a rental assistance payment if the person had been paying more than 30 percent of household income in rent/utilities without "demonstrable hardship" before the project;
5. Tenant-based rental assistance requirements of sections 204 and 205 of the URA, and 49 CFR 24.2(a)(6)(ix) and 24.402(b) are waived to the extent necessary to permit a Borrower to meet all or a portion of a Borrower's replacement housing financial assistance obligation to a displaced tenant by offering rental housing through a tenant-based rental assistance (TBRA) housing program subsidy, provided that the tenant is provided referrals to comparable replacement dwellings in accordance with 49 CFR 24.204(a) where the owner is willing to participate in the TBRA program, and the period of authorized assistance is at least 42 months;
6. Moving expense requirements at section 202(b) of the URA and 49 CFR 24.302; the Borrower may instead choose to establish a "moving expense and dislocation allowance" under a schedule of allowances that is reasonable takes into account the number of rooms in the displacement dwelling; and

The regulation at 24 CFR 570.606(d) is waived to the extent that it requires optional relocation policies to be established; units of local government receiving CDBG-DR funds may establish separate optional policies.

13. FAIR HOUSING AND NON-DISCRIMINATION

Any act of unlawful discrimination committed by Borrower or failure to comply with the following statutory and regulatory obligations when applicable shall be grounds for termination of the Loan and this Addendum or other enforcement action; and Borrower agrees to comply with:

1. Title VI of the Civil Rights Act of 1964 and as amended in 1988, 42 U.S.C. §200d et seq., as amended, and the regulations issued pursuant thereto (24 CFR Part1), which provide that no person in the United States shall on the grounds or race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Project receives federal financial assistance and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the Borrower, this assurance shall obligate the Borrower, or in the case of any transfer of such property, and transferee, for the period during which the property or structure is used for another purpose involving the provision of similar services or benefits.
2. Architectural Barriers Act of 1968, as amended 42 U.S.C. § 4151 et seq.
3. Title IX of the Education Amendments Act of 1972, as amended 20 U.S.C. §1681 et seq.

4. Section 504 of the Rehabilitation Act of 1973, as amended 29 U.S.C. §701, which provides that no otherwise qualified individual shall, solely by reason of his or her handicap be excluded from participation, denied program benefits or subjected to discrimination on the basis of age under any program receiving federal funding assistance, with special provisions for Grantees with 15 or more employees requiring a formal, written grievance procedure for resolution of complaints.
5. Section 508 of the Rehabilitation Act of 1973 as amended 29 U.S.C. §794, requiring that electronic and information technology be accessible to people with disabilities, including employees and members of the public.
6. Section 109 of Title I of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part §570.602), which provides that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under that Part. Section 109 further prohibits discrimination to an otherwise qualified individual with a handicap, as provided under Section 504 of the Rehabilitation Act of 1973, as amended, and prohibits discrimination based on age as provided under the Age Discrimination Act of 1975. The policies and procedures necessary to ensure enforcement of section 109 are codified in 24 CFR Part 6.
7. Section 104(b) (2) of the Housing Community Development Act of 1974, implementing Section 109.
8. Age Discrimination Act of 1975 (42 U.S.C. 1601 et seq.), prohibiting discrimination on the basis of age.
9. Title II of the Americans with Disabilities Act of 1990, prohibiting discrimination and ensuring equal opportunity for persons with disabilities in employment, and commercial facilities.
10. Title III of the Americans with Disabilities Act of 1990 (42 U.S.C.A. § 12101 et seq.).
11. Borrower must use its best efforts to afford small businesses, minority business enterprises, and women's business enterprises the maximum practicable opportunity to participate in the performance of the Loan Documents. As used in this Addendum, the terms "small business" means a business that meets the criteria set forth in section 3(a) of the Small Business Act, as amended (15 U.S.C. 632), and "minority and women's business enterprise" means a business at least fifty-one (51) percent owned and controlled by minority group members or women. For the purpose of this definition, "minority group members" are Afro-Americans, Spanish-speaking, Spanish surnamed or Spanish-heritage Americans, Asian-Americans, and American Indians. Borrower may rely on written representations by businesses regarding their status as minority and female business enterprises in lieu of an independent investigation.

12. Section 3, Housing and Urban Development Act of 1968. Section 3 requirements will apply to all individual properties assisted with these funds if amounts exceed \$100,000, regardless of the actual amount spent on each individual unit/property. Compliance with the provisions of Section 3 of the HUD Act of 1968, as amended, and as implemented by the regulations set forth in 24 CFR 135, and all applicable rules and orders issued hereunder prior to the execution of this Addendum, shall be a condition of the Federal financial assistance provided under the Loan Documents and binding upon the Borrower and third-party entities. The Borrower certifies and agrees that no contractual or other disability exists that would prevent compliance with these requirements.

These responsibilities include:

- a. Making efforts to meet the minimum numerical goals found at 24 CFR Part 135.30;
- b. Complying with the specific responsibilities at 24 CFR Part 135.32; and
- c. Submitting Annual Summary reports in accordance with 24 CFR Part 135.90.

The following language must be included in all contracts and sub-contracts if the award exceeds \$100,000:

- a. The work to be performed under the contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.
- b. Borrower will comply with HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by its execution of this Addendum Borrower certifies that it is under no contractual or other impediment that would prevent it from complying with the part 135 regulations.
- c. The Borrower agrees to send to each labor organization or representative of workers with which it has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Borrower's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and

applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

- d. The Borrower agrees to include this section 3 clause in every sub-contract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the contract or in this section 3 clause, upon a finding that the contractor is in violation of the regulations in 24 CFR part 135. The Borrower will not sub-contract with any sub-contractor where the Borrower has notice or knowledge that the sub-contractor has been found in violation of the regulations in 24 CFR part 135.
- e. The Borrower will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor or sub-contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under 24 CFR part 135.
- f. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of the Loan, and debarment or suspension from future HUD assisted contracts and loans.

Borrower will further comply with:

- a. Executive Order 11246: EEO and Affirmative Action Guidelines for Federal Contracts Regarding Race, Color, Gender, Religion, and National Origin, September 25, 1965, and Executive Order 11375: Amending Executive Order No. 11246, October 13, 1967, which provide that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts. Further contractors and sub-contractors on federal and federally assisted construction contracts shall take affirmative action to insure fair treatment in employment, upgrading, demotion, or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship.

During the performance of the Loan Documents, the Borrower agrees as follows:

- i. It will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national

origin. It will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. It agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- ii. It will, in all solicitations or advertisements for employees placed by it or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.
- iii. It will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the Agency contracting officer, advising the labor union or workers' representative of the Borrower's commitments under Section 202 (of Executive Order No. 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- iv. It will comply with all provisions of Executive Order No. 11246 of Sept. 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- v. It will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- vi. In the event of the Borrower's noncompliance with the nondiscrimination clauses of this Addendum or with any of such rules, regulations, or orders, the Loan cancelled, terminated, accelerated or suspended in whole or in part and the Borrower may be declared ineligible for further Government

loans and/or contracts in accordance with procedures authorized in Executive Order No. 11246 of Sept. 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

vii. It will include the provisions of paragraphs (1) through (7) in every contract and sub-contract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, so that such provisions will be binding upon each contractor, sub-contractor or vendor. It will take such action with respect to any contract or sub-contract or purchase order as may be directed by the Secretary of Labor as a means of enforcing such provisions including sanctions for noncompliance: *Provided, however,* that in the event the Borrower becomes involved in, or is threatened with, litigation with a contractor, sub-contractor or vendor as a result of such direction, it may request the United States to enter into such litigation to protect the interests of the United States.

- b. Executive Order 12086: Consolidation of Contracts compliance functions for equal employment opportunity, October 5, 1978.
- c. Executive Order 12898: Federal Actions To Address Environmental Justice in Minority Populations and Low-Income Populations, February 11, 1994.
- d. Executive Order 13166: Improving Access to Services for Persons with Limited English Proficiency, August 11, 2000.

And Borrower affirms it will comply with implementing regulations for the above:

- I. 24 Code of Federal Regulations Part 1: Nondiscrimination in Federally Assisted Programs of HUD.
- II. 24 Code of Federal Regulations Part 5.105: Other Federal Requirements.
- III. 24 Code of Federal Regulations Part 6: Nondiscrimination in Programs, Activities Receiving Assistance under Title I of the Housing and Development Act of 1974.

- IV. 24 Code of Federal Regulations Part 8: Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the HUD.
- V. 24 CFR Code of Federal Regulations Parts 50.4 (l) and 58.5 (j): Environmental Justice.
- VI. 24 Code of Federal Regulations Part 91.325(b) (5): Compliance with Anti-discrimination laws.
- VII. 24 Code of Federal Regulations Part 91.520: Performance Reports.
- VIII. 24 CFR Part 121: Collection of Data.
- IX. 24 CFR Part 135: Economic Opportunities for Low- and Very Low-Income Persons.
- X. 24 CFR Part 146: Non-discrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance.
- XI. 24 Code of Federal Regulations Part 570.487(e): Contractual Barriers Act and (Americans) with Disabilities Act (State Community Development Block Grant grantees).
- XII. 24 Code of Federal Regulations Part 570.490(a) (b): Recordkeeping requirements.
- XIII. 24 Code of Federal Regulations 570.491: Performance Reviews and Audits.
- XIV. 24 Code of Federal Regulations Part 570.495(b): HCDA Section 109 nondiscrimination.
- XV. 24 Code of Federal Regulations Part 570.506(g): Fair Housing and equal opportunity records.
- XVI. 24 Code of Federal Regulations Part 570.608 and Part-35: Lead-Based Paint.
- XVII. 24 Code of Federal Regulations Part 570.614: Contractual Barriers Act and Americans with Disabilities Act.
- XVIII. 24 Code of Federal Regulations Part 570.904: Equal Opportunity and Fair Housing Review.
- XIX. 24 Code of Federal Regulations Part 570.912: Nondiscrimination compliance.

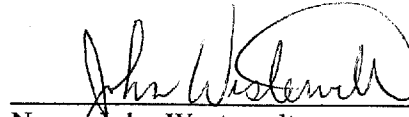
13. Section 503 of the Rehabilitation Act of 1973 requires the following clauses in all contracts and sub-contracts involving federal funds of \$10,000 or more.

1. Borrower will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Borrower agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
2. Borrower agrees to comply with the rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Act.
3. In the event of the Borrower's non-compliance with the requirements of this clause, actions for non-compliance may be taken in accordance with the rules, regulations and relevant orders of the secretary of labor issued pursuant to the Act.
4. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices stating the Borrower's obligation under the law to take affirmative action to employ and advance in employment qualified handicapped employees and applicants for employment, and the rights of applicants and employees.
5. Borrower will notify each labor union or representative of workers with which it has a collective bargaining agreement or other Loan Documents understanding, that the Borrower is bound by the terms of Section 503 of the Rehabilitation of 1973, and is committed to take affirmative action to employ and advance in employment physically and mentally handicapped individuals.
6. Borrower will include the provisions of this clause in every contract, sub-contract or purchase order of \$10,000 or more of federal funding unless exempted by rules, regulations, or orders of the (federal) secretary issued pursuant to Section 503 of the Act, so that such provisions will be binding upon each contractor, sub-contractor or vendor. The Borrower will take such action with respect to any contract, sub-contract and purchase order as the director of the Office of Federal Loan Documents Compliance Programs may direct to enforce such provisions, including action for non-compliance. (41-CFR 60-741.4.4).

BORROWER:

HARRISON SENIOR URBAN RENEWAL, LP

By: Harrison Senior GP Corp.,
Its General Partner



Name: John Westervelt
Title: President

File No: NJFA13-0309

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in **Harrison Town**, County of **Hudson** and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

- (1) North 01 degrees 48 minutes East 101.86 feet; thence
- (2) Southerly 87 degrees 50 minutes West 44.51 feet; thence
- (3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence
- (4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

- (1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence
- (2) North 87 degrees 50 minutes East 4.00 feet; thence
- (3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence
- (4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION

FILED
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03/13/2014 03:35:10 PM
NUMBER OF PAGES: 49
JPISCOPO

Hudson County Register 20140313010018510 Bk: 8961 Pg:495 1/5

03/13/2014 03:35:10 PM DEED

Pamela E. Gardner

Hudson County, Register of Deeds

Receipt No. 887730

20140313010018510

3/13/2014 3:35:00 PM

Consideration: \$1.00 Exempt.Code: Exempt

County:\$0.00 State:\$0.00

NJAHTF : \$0.00 PHPF: \$0.00

State E.A.A:\$0.00 General:\$0.00

Buyer's Fee: \$0.00

Total RTF: \$0.00

Prepared by:

James P. Bruno

DEED**THIS DEED** is made and delivered on January 29, 2014,**Between** **TOWN OF HARRISON,**

having an address of 318 Harrison Avenue, Harrison, New Jersey 07029, referenced as the "Grantor".

And **HARRISON SENIOR URBAN RENEWAL, LP, a New Jersey limited partnership**

having an address at 590 North Street, Newark, New Jersey 07107, referred to as the Grantee.

Transfer of Ownership. The Grantor grants and conveys (transfers ownership of) all of its ownership interest in the property described below to the Grantee. This transfer is made for one dollar and other good and valuable consideration.**Tax Map Reference.** (N.J.S.A. 46:15-2.1) Town of Harrison, Block No. 50.02, Lot 6.**Property.** The property consists of all that certain lot, piece or parcel of land with the buildings, structures, and improvements erected on the land described below located in the Town of Harrison, County of Hudson, and State of New Jersey. The legal description of the land is:**SEE EXHIBIT A ATTACHED HERETO**

The Property conveyed by the Grantor to the Grantee is and is intended to be the same property acquired by the Grantor by Deed from New Town Community Development Corporation dated September 6, 2011, recorded in the Hudson County Register's Office on September 26, 2011 in Deed Book 8812, Page 129.

To have and to hold the premises conveyed by this Deed only so as long as the Property is being prepared to be used for and is actually being used for the housing of senior citizens of low and moderate income and for the handicapped, and if the Property is used for any other purpose not approved by the Town of Harrison, then, in such event, title shall revert to the Town of Harrison without any further action by or cost to the Town, and Town officials shall have the right immediately to reenter the Property.

The Town's rights under the above reverter shall not be exercised unless it has first given the Grantee and the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") written notice of its intention to exercise such rights and such Grantee or NJHMFA are given a ninety (90) day opportunity to cure the conditions upon which the Town claims its right to act under the reverter provision. This reverter provision shall be subject and subordinate to the mortgage of NJHMFA in the estimated amount of \$1,800,000. The Town agrees to release the reverter provision upon issuance of the certificate of occupancy of the completed project to the Grantee.

Promises by Grantor. The Grantor promises that the Grantor has done no act to encumber the Property. The Grantor has not allowed anyone else to obtain any legal rights which affect the property (such as by making a mortgage or allowing a judgment to be entered against the Grantor). This promise is called a "covenant as to grantor's acts" (N.J.S.A. 46:4-6).

Signatures. The Grantor signs this Deed to be effective as of the date at the top of the first page.

WITNESS:

TOWN OF HARRISON

Paul Zarbetski, Town Clerk

By: Raymond J. McDonough
Raymond J. McDonough, Mayor

STATE OF NEW JERSEY)

) ss.

COUNTY OF Hudson)

I CERTIFY that on January 29, 2014, Raymond J. McDonough came before me and acknowledged under oath, to my satisfaction, that:

- (a) he is the Mayor of the Town of Harrison, the Grantor named in this Deed;
- (b) he signed and delivered this Deed as the voluntary act and deed of the Town by virtue of authority of its governing body; and
- (c) the Grantor made this Deed for \$1.00 as the full and actual consideration paid or to be paid for the transfer of title. (Such consideration is defined in N.J.S.A. 46:15-5.)

RECORD & RETURN TO:

ISABEL SIMOES
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 3/19/2014



**First American
Title Insurance Company**

SCHEDULE C

LEGAL DESCRIPTION

File No. NJFA13-0309MM

Policy No. PROFORMA

ALL that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in Harrison Town, County of Hudson and State of New Jersey, being more particularly described as follows:

Tract I:

BEGINNING at a point in the Northerly line of Harrison Avenue distant 474.83 feet Westerly from the Northwest corner of Harrison and Schuyler Avenues; thence

- (1) North 01 degrees 48 minutes East 101.86 feet; thence
- (2) Southerly 87 degrees 50 minutes West 44.51 feet; thence
- (3) Southerly 02 degrees 10 minutes East 101.43 feet to Harrison Avenue; thence
- (4) Northerly 88 degrees 8 minutes East along the Northerly line of Harrison Avenue 37.53 feet to the point and place of Beginning.

Tract II:

BEGINNING in the Northerly line of Harrison Avenue at a point therein distant 41 feet Easterly from the Northeast corner of the same and Franklin Avenue as laid down on a map of Tract #1 of property belonging to John Frank in the Town of Harrison, Hudson County, N.J., made by C. Melville Bowie, Surveyors, June 1906; thence running

- (1) North 02 degrees 10 minutes West and parallel with Franklin Avenue 100.77 feet; thence
- (2) North 87 degrees 50 minutes East 4.00 feet; thence
- (3) South 2 degrees 10 minutes East 100.78 feet to the aforesaid line of Harrison Avenue; thence
- (4) Running along the same South 88 degrees 04 minutes West 4 feet to the place of Beginning.

TOGETHER with the rights granted in that certain Agreement dated September 23, 1924, and recorded in Book 1537 at page 308.

FOR INFORMATION PURPOSES ONLY:

BEING Known as Lot 6, Block 50.02, on the Official Tax Map of Harrison Town
BEING commonly known as 774 Harrison Avenue, Harrison, New Jersey

END OF LEGAL DESCRIPTION



State of New Jersey
SELLER'S RESIDENCY CERTIFICATION/EXEMPTION
 (C.55, P.L. 2004)

(Please Print or Type)

SELLER(S) INFORMATION (See Instructions, Page 2)

Names(s)

Town of Harrison

Current Resident Address:

Street: 318 Harrison Avenue

City, Town, Post Office

Harrison

State

NJ

Zip Code

07029

PROPERTY INFORMATION (Brief Property Description)

Block(s)

50.02

Lot(s)

6

Qualifier

Street Address:

774 Harrison Avenue

City, Town, Post Office

Harrison

State

NJ

Zip Code

07029

Seller's Percentage of Ownership

100%

Consideration

\$1.00

Closing Date

1-29-2014

SELLER ASSURANCES (Check the Appropriate Box) (Boxes 2 through 10 apply to Residents and Non-residents)

1. ☐ I am a resident taxpayer (individual, estate, or trust) of the State of New Jersey pursuant to N.J.S.A. 54A:1-1 et seq. and will file a resident gross income tax return and pay any applicable taxes on any gain or income from the disposition of this property.
2. ☐ The real property being sold or transferred is used exclusively as my principal residence within the meaning of section 121 of the federal Internal Revenue Code of 1986, 26 U.S.C. s. 121.
3. ☐ I am a mortgagor conveying the mortgaged property to a mortgagee in foreclosure or in a transfer in lieu of foreclosure with no additional consideration.
4. ☒ Seller, transferor or transferee is an agency or authority of the United States of America, an agency or authority of the State of New Jersey, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, or a private mortgage insurance company.
5. ☒ Seller is not an individual, estate or trust and as such not required to make an estimated payment pursuant to N.J.S.A. 54A:1-1 et seq.
6. ☐ The total consideration for the property is \$1,000 or less and as such, the seller is not required to make an estimated payment pursuant to N.J.S.A. 54A:5-1-1 et seq.
7. ☐ The gain from the sale will not be recognized for Federal income tax purposes under I.R.C. Section 721, 1031, 1033 or is a cemetery plot. (CIRCLE THE APPLICABLE SECTION). If such section does not ultimately apply to this transaction, the seller acknowledges the obligation to file a New Jersey income tax return for the year of the sale (see instructions).
☐ No non-like kind property received.
8. ☐ Transfer by an executor or administrator of a decedent to a devisee or heir to effect distribution of the decedent's estate in accordance with the provisions of the decedent's will or the intestate laws of this state.
9. ☐ The property being sold is subject to a short sale instituted by the mortgagee, whereby the seller has agreed not to receive any proceeds from the sale and the mortgagee will receive all proceeds paying off an agreed amount of the mortgage.
10. ☐ The deed being recorded is a deed dated prior to the effective date of P.L. 2004, c. 55 (August 1, 2004), and was previously unrecorded.

SELLER(S) DECLARATION

The undersigned understands that this declaration and its contents may be disclosed or provided to the New Jersey Division of Taxation and that any false statement contained herein could be punished by fine, imprisonment, or both. I furthermore declare that I have examined this declaration and, to the best of my knowledge and belief, it is true, correct and complete. By checking this box ☐ I certify that the Power of Attorney to represent the seller(s) has been previously recorded or is being recorded simultaneously with the deed to which this form is attached.

JAN. 29, 2014

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

Date

Signature

(Seller) Please indicate if Power of Attorney or Attorney in Fact

RTF-1 (Rev. 7/14/10)
MUST SUBMIT IN DUPLICATESTATE OF NEW JERSEY
AFFIDAVIT OF CONSIDERATION FOR USE BY SELLER

(Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006) (N.J.S.A. 46:15-5 et seq.)

BEFORE COMPLETING THIS AFFIDAVIT, PLEASE READ THE INSTRUCTIONS ON THE REVERSE SIDE OF THIS FORM.

STATE OF NEW JERSEY

COUNTY

Hudson

} SS. County Municipal Code
0904

MUNICIPALITY OF PROPERTY LOCATION Harrison

FOR RECORDER'S USE ONLY

Consideration \$ _____
RTF paid by seller \$ _____
Date By _____

*Use symbol "C" to indicate that fee is exclusively for county use.

(1) PARTY OR LEGAL REPRESENTATIVE (Instructions #3 and #4 on reverse side)

Deponent, Raymond J. McDonough, being duly sworn according to law upon his/her oath,
(Name)
deposes and says that he/she is the Mayor of the Town of Harrison in a deed dated January 29, 2014 transferring
(Grantor, Legal Representative, Corporate Officer, Officer of Title Company, Lending Institution, etc.)real property identified as Block number 50.02 Lot number 6 located at
774 Harrison Avenue, Harrison and annexed thereto.
(Street Address, Town)(2) CONSIDERATION \$ 1.00 (Instructions #1 and #5 on reverse side) ☐ no prior mortgage to which property is subject.(3) Property transferred is Class 4A ☒ 4B ☐ 4C (circle one). If property transferred is Class 4A, calculation in Section 3A below is required.(3A) REQUIRED CALCULATION OF EQUALIZED VALUATION FOR ALL CLASS 4A (COMMERCIAL) PROPERTY TRANSACTIONS:
(Instructions #5A and #7 on reverse side)

Total Assessed Valuation + Director's Ratio = Equalized Assessed Valuation

\$ _____ + _____ % = \$ _____

If Director's Ratio is less than 100%, the equalized valuation will be an amount greater than the assessed value. If Director's Ratio is equal to or in excess of 100%, the assessed value will be equal to the equalized valuation.

(4) FULL EXEMPTION FROM FEE (Instruction #8 on reverse side)

Deponent states that this deed transaction is fully exempt from the Realty Transfer Fee imposed by C. 49, P.L. 1968, as amended through C. 66, P.L. 2004, for the following reason(s). Mere reference to exemption symbol is insufficient. Explain in detail.

(a) For consideration of less than \$100; (b) By or to the United States of America, this State, or any instrumentality, agency or subdivision

(5) PARTIAL EXEMPTION FROM FEE (Instruction #9 on reverse side)

NOTE: All boxes below apply to grantor(s) only. ALL BOXES IN APPROPRIATE CATEGORY MUST BE CHECKED. Failure to do so will void claim for partial exemption. Deponent claims that this deed transaction is exempt from State portions of the Basic, Supplemental, and General Purpose Fees, as applicable, imposed by C. 176, P.L. 1975; C. 113, P.L. 2004, and C. 66, P.L. 2004 for the following reason(s):

- A. SENIOR CITIZEN Grantor(s) ☐ 62 years of age or over. (Instruction #9 on reverse side for A or B)
- B. { BLIND PERSON Grantor(s) ☐ legally blind or; *
 DISABLED PERSON Grantor(s) ☐ permanently and totally disabled ☐ receiving disability payments ☐ not gainfully employed*
- Senior citizens, blind persons, or disabled persons must also meet all of the following criteria:
☐ Owned and occupied by grantor(s) at time of sale. ☐ Resident of State of New Jersey.
☐ One or two-family residential premises. ☐ Owners as joint tenants must all qualify.

*IN CASE OF HUSBAND AND WIFE, PARTNERS IN A CIVIL UNION COUPLE, ONLY ONE GRANTOR NEED QUALIFY IF TENANTS BY THE ENTIRETY.

C. LOW AND MODERATE INCOME HOUSING (Instruction #9 on reverse side)

- ☐ Affordable according to H.U.D. standards. ☐ Reserved for occupancy.
☐ Meets income requirements of region. ☐ Subject to resale controls.

(6) NEW CONSTRUCTION (Instructions #2, #10, #12 on reverse side)

- ☐ Entirely new improvement. ☐ Not previously occupied by first page of the deed.
☐ Not previously used for any purpose. ☐ *NEW CONSTRUCTION printed clearly at top of first page of the deed.

(7) RELATED LEGAL ENTITIES TO LEGAL ENTITIES (Instructions #5, #12, #14 on reverse side)

- ☐ No prior mortgage assumed or to which property is subject at time of sale.
☐ No contributions to capital by either grantor or grantee legal entity.
☐ No stock or money exchanged by or between grantor or grantee legal entities.

(8) Deponent makes this Affidavit to induce county clerk or register of deeds to record the deed and accept the fee submitted herewith in accordance with the provisions of Chapter 49, P.L. 1968, as amended through Chapter 33, P.L. 2006.

Subscribed and sworn to before me
this 29 day of January, 20 14

Signature of Deponent

318 Harrison Avenue, Harrison
Deponent Addressxxx-xxx-9666
Last three digits in Grantor's Social Security Number

Town of Harrison

Grantor Name

318 Harrison Avenue, Harrison, NJ
Grantor Address at Time of SaleLand Services, USA, Inc.
Name/Company of Settlement OfficerISABEL SINCE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 3/19/2014FOR OFFICIAL USE ONLY
Instrument Number _____ County _____
Deed Number _____ Book _____ Page _____
Deed Dated _____ Date Recorded _____

County recording officers shall forward one copy of each RTF-1 form when Section 3A is completed to:

STATE OF NEW JERSEY
PO BOX 251
TRENTON, NJ 08695-0251

ATTENTION: REALTY TRANSFER FEE UNIT

The Director of the Division of Taxation in the Department of the Treasury has prescribed this form as required by law, and it may not be altered or amended without prior approval of the Director. For information on the Realty Transfer Fee or to print a copy of this Affidavit, visit the Division's website at:

www.state.nj.us/treasury/taxation/lpt/localtax.shtml.

Harrison Project
Closeout Final Billings

	<u>Amount</u>
Final Billing - Town of Harrison	
Harrison permits - Domus	\$ 242
Development fee - Domus	\$ 68,420
Elevator certificate - St NJ (Domus)	\$ 76
Project Operating Deficit Reserve	\$ 154,288
Working Capital Reserve - HMFA	\$ 22,245
Insurance Escrow - HMFA	\$ 6,360
Tax escrow - HMFA	\$ 1,814
Use of Hard Cost Contingency - Lobby	\$ 79,905
Renovations - Del Sano Contracting	
Total	\$ 333,350

THE RED THERMO SECURED "SP" LOGO IN THE LOWER CORNER OF THIS CHECK MUST FADE TEMPORARILY WHEN WARMED BY TOUCH OR FRICTION. SEE BACK FOR ADDITIONAL FEATURES.

DOMUS CORPORATION
590 N. 7TH STREET
NEWARK, NJ 07107

DATE 2/24/14

001697

11-24/1210

PAY
TO THE
ORDER OF

Township of Harrison

\$

241.00

DOLLARS

WELLS
FARGO

Wells Fargo Bank, N.A.

MEMO

Budget Pmts 20140040(3)

[Signature]

⑈001697⑈ 1210002481 2030000876930⑈

OTHER THAN
THERMO SECURED
LOGO

Department
of
Construction Inspection
Harrison, New Jersey



Date Issued 2/24/14
Control # 13629, 13764, 13758
Permit # 20140040 + Update 1 + 2

CONSTRUCTION PERMIT NOTICE

Block 50.02 Lot 6 Qualification Code _____

Work Site Location: 774 Harrison Ave.
Harrison, NJ 07029

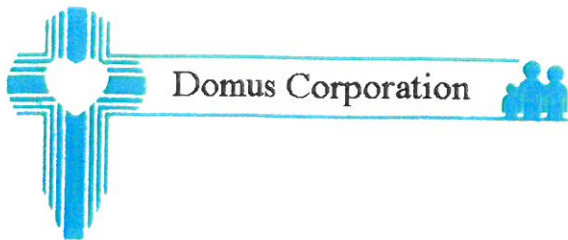
AUTHORIZED FOR:

- | | |
|--|---|
| <input checked="" type="checkbox"/> BUILDING | <input checked="" type="checkbox"/> ELECTRICAL |
| <input checked="" type="checkbox"/> PLUMBING | <input checked="" type="checkbox"/> FIRE PROTECTION |
| <input type="checkbox"/> ELEVATOR DEVICES | <input type="checkbox"/> DEMOLITION |
| <input type="checkbox"/> OTHER | |

Description of Work: Install New 4 Story 15 Unit

(Modular Construction)

This notice shall be posted conspicuously at the work site and shall remain so until issuance of a certificate.



*Office of the President
590 North 7th Street
Newark, NJ 07107
973.596.3984, jwestervelt@ccannj.org*

Invoice # 8
October 26, 2015

This invoice represents amount due for the developer Fee for Harrison Senior Res.
project located at 774 Harrison Ave Harrison NJ.

Total Due Domus Corp.

\$ 68,420.00

THE RED THERMO SECURED "SP" LOGO IN THE LOWER CORNER OF THIS CHECK MUST FADE TEMPORARILY WHEN WARMED BY TOUCH OR FRICTION. SEE BACK FOR ADDITIONAL FEATURES.

DOMUS CORPORATION
590 N. 7TH STREET
NEWARK, NJ 07107

001746

DATE 12/5/14 11-24/1210

PAY
TO THE
ORDER OF

Treasury State of NJ
Seventy six dollars and 00/100

\$ 76.00

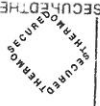
**WELLS
FARGO**
Wells Fargo Bank, N.A.

DOLLARS

MEMO *Harrison Christian Bank*

[Signature]

⑈001746⑈ ⑆121000248⑆ 2030000876930⑈



NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS
DIVISION OF CODES AND STANDARDS
BUREAU OF CODE SERVICES
ELEVATOR SAFETY UNIT

APPLICATION FOR REGISTRATION

OWNER NAME AND ADDRESS:

HARRISON SENIOR RESIDENCE L.P.
590 N. 7th St.
NEWARK, NJ 07107

DATE ISSUED:

BUILDING NAME AND ADDRESS:

HARRISON SENIOR RESIDENCE
274 HARRISON AVE
HARRISON, NJ 07029
APPLICATION #:

PRINT or TYPE all information. Application is due 30 days after receipt.
Please see attached for instructions and payment information.

SECTION I BUILDING INFORMATION

PAYMENT AMOUNT ENCLOSED: \$ 76.00

Building Name: HARRISON SENIOR RESIDENCE

Building Street Number: 774 Building Street Name: HARRISON AVE

Building City: HARRISON

Municipality: HARRISON / ESSEX
(To which taxes are paid)

Lot: 6 Block: 50.02 Use Group: R-2 (see instructions)

SECTION II: OWNER INFORMATION

Owners Name (1): HARRISON SENIOR RESIDENCE L.P.

Owners Name (2): _____

Owners Street Address: 590 N. 7th St.

Owners City: NEWARK State: NJ Zip-Code: 07107

Owners Phone Number: 973-596-3827 Fax Number: 973-596-4059

Ownership Type: ☐ Corporate ☐ Individual/Sole Proprietorship ☒ Partnership
(Please Check) ☐ Government-Type ☐ Other- explain _____

SECTION III: CONTACT INFORMATION

Contact Name: R.P. MARZULLI Co. Inc.

Contact Street Address: 264 Belleville Ave.

Contact City: Bloomfield State: NJ Zip-Code: 07003

Contact Phone Number: 973-743-2300 Fax Number: 973-743-8021

FOR OFFICE USE ONLY
COMU CODE:

*Give Check
TO
DAN MURPHY*



Del-Sano Contracting Corp

Design Build

*

General Construction

*

Construction Management

Project: Harrison Senior Housing - Finish Upgrades
Location: Harrison, NJ
Date: Tuesday October 13th 2015
General Contractor: Del-Sano Contracting Corp
2037 Morris Ave Union, New Jersey 07083
Alex Kenny (908) 688-8891 ext. 39

Proposal

Del-Sano Contracting is pleased to present the following:

1. Division 01 – General Requirements:
 - a. Del-Sano anticipates a construction timeline of approximately **3 week** duration.
 - b. Project management and accounting
 - c. Sales Tax is **excluded**.
 - d. Pricing is based on **Residential Prevailing Wage** rates.
2. Division 06 – Interior Architectural Woodwork:
 - a. Per drawings A2.03 and A2.04, both revision 5 dated 4-8-14, Del-Sano is furnishing and installing stain-grade red oak or poplar trim wainscot in the lobby, and all common hallways on floors 1-4.
 - b. Crown molding is based on Dykes Lumber #611 in red oak or poplar, stain grade.
 - c. Wainscot will be limited to hallways, lobby, and Activity Room.
 - d. Trim around the doors is excluded.
3. Division 08 – Openings:
 - a. Swap out 23 hardware sets. Material allowance per set: \$150.00
4. Division 09 – Finishes:
 - a. Vinyl Wall Covering is to be applied over existing painted walls in the hallways, main lobby, and Activity Room. Total area: approximately 350 square yards.
5. Division 26 – Lighting:
 - a. Swap-out the following quantities:



26400 Swap Out Fixtures: F2	6 EA	Metalux GR LED Series LED Troffer
26400 Swap Out Fixtures: A	2 EA	Sea Gull Lighting Decorative Drop Lens Espresso Ceiling Fluorescent Light
26400 Swap Out Fixtures: A-E	1 EA	Sea Gull Lighting Decorative Drop Lens Espresso Ceiling Fluorescent Light
26400 Swap Out Fixtures: D42	13 EA	Utilitech Pro 100-Watt Equivalent White LED Recessed Retrofit Downlight



Del-Sano Contracting Corp

Design Build

*

General Construction

*

Construction Management

Bid Breakdown

Millwork: \$ 47,713

Hardware: \$ 5,234

Finishes: \$ 8,369

Electrical: \$ 7,032

General Conditions,
Overhead and Fee: \$ 11,554

Total: \$ 79,905