

CITY OF CAMDEN REDEVELOPMENT AGENCY
RESOLUTION SUMMARY

Housing

Resolution No.: 03-14-18G

Resolution Title:

Resolution Amending Resolution 12-13-17E Which Authorized the Forgiveness of Indebtedness Owed by Cooper Plaza Historic Homes, L.P to the CRA for the Cooper Plaza Historic Homes Project and Execution of a Discharge of Mortgage Relating to the Indebtedness to Further Additional Redevelopment of the Property

Project Summary:

1. CRA by Resolution 12-13-17E, authorized the forgiveness of indebtedness held by CRA that was owed by Cooper Plaza Historic Homes, L.P. (the original project) in order to facilitate new redevelopment of the project (Cooper Plaza Town Homes Preservation Project).
2. One of the conditions of the resolution was “the forgiveness of the indebtedness currently held by all of the other lenders for the original Project.”
3. The Department of Community Affairs (DCA) advises that by statute the DCA is not permitted to forgive the indebtedness of a for-profit corporation, (such as Cooper Plaza Historic Homes, L.P.), but instead is permitted to modify the debt and make such indebtedness subordinate to new financing.
4. The New Jersey Housing & Mortgage Finance Agency (NJHMFA), as the lead lender, is providing the financing for the new development.
5. The NJHMFA/DCA is requesting a change in the conditions set forth in the resolution to reflect that DCA will modify the debt owed to it by the original owner and re-subordinate that indebtedness within the NJHMFA’s financing of the new project.
6. The term of the new DCA loan will be for 30 years.

Purpose of Resolution:

To amend Resolution 12-13-17E by modifying a condition to CRA’s forgiveness of the indebtedness owed to CRA by the original Cooper Historic Homes project.

Award Process:

N/A

Cost Not To Exceed:

N/A

Total Project Cost:

\$16 Million

Source of Funds:

Redeveloper’s Financing

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WHEREAS, the City of Camden Redevelopment Agency (“CRA”) is charged with the duty of redevelopment throughout the City of Camden; and

WHEREAS, the Redeveloper proposes to acquire and make substantial improvements to the Cooper Plaza Historic Homes Project Site (the Original Project) in in order to facilitate a new redevelopment project known as the Cooper Plaza Town Homes Preservation Project (the New Project); and

WHEREAS, in order to make the purchase and renovation of the Project feasible, CRA by Resolution 12-13-17E authorized the forgiveness of the indebtedness owed by the original developer, Cooper Plaza Historic Homes, L.P., to CRA in the amount of \$880,000.00, plus accrued interest at the rate of 1% year and to execute a Discharge of Mortgage at such time as Redeveloper closes on its financing to purchase and rehabilitate the Project; and

WHEREAS, a condition of Resolution 12-13-17E was the forgiveness of the indebtedness currently held by all of the other lenders for the original Project; and

WHEREAS, the Department of Community Affairs (DCA) advises that by statute the DCA is not permitted to forgive the indebtedness of a for-profit corporation, (such as Cooper Plaza Historic Homes, L.P.), but instead is permitted to modify the debt and make such indebtedness subordinate to its new financing; and

WHEREAS, the New Jersey Housing & Mortgage Finance Agency (NJHMFA) is providing the financing for the New Project; and

WHEREAS, the NJHMFA/DCA are requesting a change in the conditions set forth in the resolution to accept that DCA will modify the debt owed to it by the original owner and re-subordinate that indebtedness within the NJHMFA’s financing of the new project; and

WHEREAS, the CRA desires to assist in the preservation of this affordable housing project and that it is in the best interests of the CRA to amend Resolution 12-13-17E by modifying the conditions to the CRA’s forgiveness of the indebtedness owed to CRA and release of a Discharge of Mortgage as set forth herein.

NOW THEREFORE BE IT RESOLVED, by the governing body of the City of Camden Redevelopment Agency that CRA Resolution 12-13-17E is amended to accept that the indebtedness owed to DCA for the Original Project may be modified and re-subordinated within the NJHMFA’s financing of the New Project and need not be forgiven in order for CRA to proceed with its forgiveness of indebtedness as authorized by Resolution 12-13-17E; and


BE IT FURTHER RESOLVED that except as modified herein Resolution 12-13-17E shall remain in full force and effect; and

BE IT FURTHER RESOLVED, that the Interim Executive Director of the Agency, a duly authorized representative, is hereby authorized and directed to take all actions and execute any and all other documents necessary to effectuate the purposes of this resolution.

ON MOTION OF: Vance Bowman

SECONDED BY: Ian K. Leonard

COMMISSIONER	AYES	NAYS	ABSTENTIONS
Vance C. Bowman	✓		
Sheila Davis	✓		
Ian K. Leonard	✓		
Jose Javier Ramos	✓		
Maria Sharma	✓		
William W. Spearman	✓		
Marilyn Torres	✓		

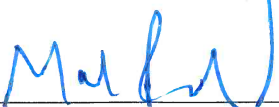


Marilyn Torres
Chairperson

ATTEST: 

Olivette Simpson
Interim Executive Director

The above has been reviewed and approved as to form.



Mark P. Asselta, Esq.
Board Counsel