

MONROE TOWNSHIP, MIDDLESEX COUNTY

ORDINANCE NO.: O-11-2022-024

**ORDINANCE AUTHORIZING THE LEASE OF PROPERTY AT BLOCK 41,
LOT 14.02 IN THE TOWNSHIP TO FACILITATE THE PROVISION OF
AFFORDABLE RENTAL HOUSING AND THE EXECUTION OF AN OPTION
TO LEASE**

WHEREAS, Southern Burlington County NAACP vs. Mount Laurel, 92 N.J. 158 (1983) (“Mount Laurel II”) and the New Jersey Fair Housing Act, N.J.S.A. 52: 27D-301, et seq. (“FHA”) require the Township of Monroe (the “Township”), as well as most other municipalities in New Jersey, to create a realistic opportunity for the provision of low- and moderate-income housing; and

WHEREAS, municipalities have a number of options to satisfy their affordable housing obligations, including, but not limited to, a municipally-sponsored and 100% affordable rental program if the community makes a suitable property available to an experienced housing sponsor that is willing to construct, own, operate, and maintain affordable rental units which will assist the municipality in meeting its rental obligation; and

WHEREAS, the Township is aware of the need to provide affordable rental housing to veterans and their families within the Township and the housing region. To address this need for affordable housing, as well as a portion of the Township's affordable housing obligation, the Township has undertaken an initiative to partner with an affordable housing developer and operator to design, build, operate, and maintain an affordable housing project on a parcel of land owned by the Township; and

WHEREAS, the Township, pursuant to a request for proposal process, selected Conifer Realty, LLC, a New York limited liability company (“Conifer”) and People for People Foundation of Gloucester County, Inc. a New Jersey nonprofit corporation (“People” together with Conifer, the “Sponsor”), collectively experienced in constructing, owning, operating, and maintaining affordable rental developments for veterans and their families to assist the Township, in whole or in part, in addressing its third cycle affordable housing obligations if the Township will make a suitable property available for a municipally sponsored 100% affordable rental project; and

WHEREAS, the Sponsor and the Township have entered into a Development and Affordable Housing Agreement to develop a 100% affordable housing project (the “Project”) on a site described as Block 41, Lot 14.02 as shown on the Official Assessment Map of the Township of Monroe, Middlesex County and located on Cranbury Half Acre Road (the “Property”); and

WHEREAS, the Sponsor has caused Monroe Veterans Urban Renewal Associates, LLC (the “Developer”) to be formed to effectuate the development and operation of the Project; and

WHEREAS, in order for the Developer to finance a portion of the development and construction of the Project, the Developer is applying to the New Jersey Housing and Mortgage Finance Agency for construction and permanent financing as well as Low Income Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the “Application”); and

WHEREAS, in order to facilitate the Developer’s Application and per the Affordable Housing Agreement dated December 16, 2020, the Township wishes to grant the Developer for the nominal consideration of \$1.00 an option to lease the Property; and

WHEREAS, pursuant to N.J.S.A. 40A:12-14 and -15, the Township may, by ordinance, lease or sell any real property, capital improvements, or personal property not needed for public use to a non-profit association for a public purpose, and may do so for nominal consideration; and

WHEREAS, the Township has thus negotiated an Option to Lease attached hereto as Attachment A, which establishes the terms of a future ground lease, including but not limited to a ninety-nine (99) year lease term, annual rent in the amount of \$1.00, and the obligation to operate the affordable housing units in accordance with applicable law and any recorded restrictive covenants recorded; and

WHEREAS, after analysis and review, the Township has determined that the Property is not required for public use and that a ground lease with the Developer will benefit the public purpose of facilitating the provision of affordable rental housing in the Township to veterans and their families, and that it is in its best interest to execute and convey the Option to Lease in a form substantially similar to the form attached hereto as Attachment A, subject to the review and approval of the Township Attorney; and

WHEREAS, the Developer is to submit all necessary reports to the Township’s Business Administrator in order to comply with the annual reporting requirements set forth at N.J.S.A. 40A:12-14.

NOW, THEREFORE, BE IT ORDAINED by the Township Council of the Township of Monroe, County of Middlesex, State of New Jersey, as follows:

1. The Mayor and Clerk are hereby authorized to enter a ground lease with the Developer and to execute an Option to Lease setting forth the terms and conditions of said lease, in substantially the form appended hereto as Attachment A, subject to the Township Attorney’s review and approval.
2. The Mayor and Clerk are hereby authorized to execute all documents necessary to convey the ground lease to Developer, subject to the Township Attorney’s review and approval.
3. All ordinances or part of ordinances which are inconsistent herewith are hereby repealed to the extent of such inconsistency.
4. This Ordinance shall take effect immediately after final passage and publication in the manner provided by law.

SO, ORDAINED as aforesaid.

MIRIAM COHEN, Council President

RECORDED VOTE – INTRODUCTION – November 2, 2022						
COUNCIL	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
Councilman Siegel			X			
Councilman Dipierro		X	X			
Councilman Schneider			X			
Council V. President Van Dzura	X		X			
Council President Cohen			X			

NOTICE

Notice is hereby given that the foregoing Ordinance was introduced and passed on first reading at a meeting of the Monroe Township Council held on November 2, 2022. Said Ordinance will again be read and considered for final passage at the next scheduled meeting of the Monroe Township Council to be held on December 5, 2022 at 6:30 p.m. At said time and place all persons having an interest in the foregoing Ordinance will be granted an opportunity to be heard concerning the same prior to consideration for final passage by the Council.

PATRICIA REID, Township Clerk

RECORDED VOTE – SECOND READING & FINAL ADOPTION – December 5, 2022						
COUNCIL	MOTION	SECOND	AYE	NAY	ABSTAIN	ABSENT
Councilman Siegel						
Councilman Dipierro						
Councilman Schneider						
Council V. President Van Dzura						
Council President Cohen						

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MAYORAL APPROVAL

By virtue of the Optional Municipal Charter Law of 1950 and Chapter 3, Section 19 of the Code of the Township of Monroe, my approval of this Ordinance is effected by the affixing of my signature hereto.

STEPHEN DALINA, Mayor

Date signed: _____

ATTACHMENT A

OPTION TO LEASE

This Option to Lease (the “**Option**”) is given on October __, 2022, by the TOWNSHIP OF MONROE, a municipal corporation in the County of Middlesex, in the State of New Jersey, with offices at 1 Municipal Plaza, Monroe Township, New Jersey 08831 (“**Landlord**”), to MONROE VETERANS URBAN RENEWAL ASSOCIATES, LLC, a New Jersey limited liability company, with offices at c/o Conifer Realty, LLC, 2000 Horizon Way, Suite 180, Mount Laurel, NJ 08054 (“**Tenant**”).

WHEREAS, in order for Tenant to finance a portion of the development and construction of a +/- 80-unit affordable housing project, 37-units of which will be for veterans (the “**Project**”), Tenant is applying to the New Jersey Housing and Mortgage Finance Agency for construction and permanent financing as well as Low Income Housing Tax Credits pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the “**Application**”);

WHEREAS, the Application submission deadline is prior to the Project financial closing (the “**Closing**”) and requires Tenant to demonstrate site control over the parcels that comprise the Project;

WHEREAS, in order to facilitate the Application submission and per the Affordable Housing Agreement, dated December 16, 2020, Landlord wishes to grant Tenant an option to lease the property on which the Project will be developed and constructed (as more particularly described in Exhibit A hereto, the “**Property**”) pursuant to the terms of a ground lease (“**Ground Lease**”) and Tenant wishes to accept the option.

NOW, THEREFORE, in consideration of the premises contained in this Option, the parties agree as follows:

1. Grant of Option. Landlord in consideration of \$1.00, which shall be non-refundable, paid by Tenant to Landlord, receipt of which is hereby acknowledged, grants to Tenant the exclusive right and option to lease on the terms and conditions set forth below.
2. Option Period. The term of this Option shall commence on the date first written above and will continue for a period of five (5) years which may be extended for additional five (5) year periods at the option of the Tenant by written notice to the Landlord thirty (30) days prior to the expiration of the option period until expressly terminated in writing by both parties.
3. Exercise of Option. Tenant may exercise this Option by giving Landlord advanced written notice, signed by Tenant. Upon exercise of the Option, the Landlord and Tenant shall enter into the Ground Lease that will contain the terms set forth in Section 4, including such additional terms as may be negotiated and fully set forth therein.

4. Ground Lease Term. The parties intend for the Ground Lease between the parties to contain the following terms:

A. Term. The initial term of the Ground Lease shall be not less than ninety-nine (99) years, with an option to extend following the end of the initial term. The Ground Lease shall be executed at, or prior to, the Closing.

B. Rent. The Tenant shall pay to the Landlord as annual rent the sum of One Dollar (\$1.00), payable on the date of execution of the Ground Lease and on each anniversary thereafter.

C. Operation of the Project. The affordable housing units shall be operated in accordance with applicable law for the period required by law, including Section 42 of the Internal Revenue Code of 1986, as amended, and any restrictive covenants recorded against the Property in connection with the Project financing and a Regulatory and Operating Agreement to be entered into by and between the Tenant and Landlord at Closing.

D. Proof of Title. Tenant will provide Landlord with a policy of title insurance, written by a title insurer acceptable to Tenant, insuring the title to the Property to be free and clear of all defects except as agreed upon by the parties and as required by the Project financing.

5. Notices. All notices provided for in this Option will be deemed to have been duly given if, and when, deposited in the United States mail with proper and sufficient postage affixed, properly addressed to the party for whom intended at the party's address listed above, or when delivered personally to such party by hand or by electronic mail.

6. Binding Effect. This Option will be binding upon and inure only to the benefit of the parties to it.

7. Counterpart. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of the Agreement by each party hereto.

8. Parties Bound. No officer, director, shareholder, employee, agent, or other person authorized to act for and on behalf of either party shall be personally liable for any obligation, express or implied, hereunder.

9. Modification of Option. This Option may not be altered, modified or rescinded, orally. This Option may be amended, supplemented or changed only by a writing signed or authorized by or on behalf of the party to be bound thereby.

[Signature Page Follows]

In witness whereof, Landlord and Tenant have executed this Option on the date first written above.

TOWNSHIP OF MONROE,
A Municipal Corporation of
the State of New Jersey

By: _____
Name: Stephen Dalina,
Title: Mayor

MONROE VETERANS URBAN
RENEWAL ASSOCIATES, LLC

By: _____
Name:
Title:

EXHIBIT A
Property Description

[see attached]