

## RESOLUTION

### **RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE AGREEMENT FOR PAYMENT IN LIEU OF TAXES WITH PIRHL DEVELOPERS, LLC CONCERNING A PORTION OF THE PROPERTY KNOWN AS THE MAROOKIAN SITE, AND IDENTIFIED AS BLOCK 82, LOTS 4 & 4.03 ON THE CLINTON TOWNSHIP TAX MAPS**

WHEREAS, PIRHL Developers, LLC through its affiliated urban renewal entity Clinton LIHTC Urban Renewal LLC (“PIRHL”) is the Township-designated developer of a six-acre portion of property known as the Marookian Site, and identified as Block 82, Lots 4 and 4.03 on the Clinton Township Tax Maps (the “Property”), pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 *et seq.*) (the “HMFA Law”); and

WHEREAS, PIRHL has received approvals to develop approximately 84 units of affordable family rental housing on the Property, together with such other improvements as may be necessary such as leasing offices, community meeting space, landscaping, curbing and parking (the “Project”); and

WHEREAS, PIRHL will be receiving financing for the Project from the New Jersey Housing and Mortgage Finance Agency (the “Agency”); and

WHEREAS, the HMFA Law authorizes municipalities to grant an exemption from real estate taxes to housing projects that meet an existing housing need if the project’s owner agrees to pay to the municipality an annual charge for municipal services supplied to the project; and

WHEREAS, the Township determined via Resolution No. 77-18 of the Township Mayor and Council, adopted on May 9, 2018 that the Project meets an existing housing need; and

WHEREAS, implementation of the Project, which has been approved by the Superior Court of the State of New Jersey, Hunterdon County in *In re: Township of Clinton Mount Laurel Affordable Housing Litigation, County of Hunterdon*, Docket No. HNT-L-315-15, will help to satisfy the Township’s constitutional “Mount Laurel” obligation to provide low and moderate income housing; and

WHEREAS, on June 14, 2018, the Township and PIRHL entered into an Agreement for Payment in Lieu of Taxes (the “Original PILOT Agreement”) pursuant to which the Township exempted the Project from real property taxes as authorized by the HMFA Law, in exchange for which PIRHL agreed to make an annual payment-in-lieu to the Township equal to 5% of “Project Revenues” as that term is defined in the Original PILOT Agreement; and

WHEREAS, since then, the cost of materials has increased significantly, which in turn has caused PIRHL’s projected construction costs to far exceed its original estimates; and

WHEREAS, to preserve the viability of the Project and PIRHL’s ability to secure the necessary financing from the Agency, it is necessary to reduce the amount of PIRHL’s annual payment-in-lieu from 5 percent of Project Revenues to 3.28 percent of Project Revenues; and

WHEREAS, PIRHL has requested that the Original PILOT Agreement be amended accordingly; and

WHEREAS, given the importance of the Project to the Township's ability to meet its constitutional Mount Laurel obligations, the Mayor and Council deem it appropriate to amend the Original PILOT Agreement as requested by PIRHL;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Township of Clinton as follows:

1. The preamble to this resolution is hereby incorporated as if more fully set forth herein.
2. The Mayor and Clerk are hereby authorized to execute a First Amendment to the Agreement for Payments in Lieu of Taxes with PIRHL that reduces the amount of PIRHL's annual payment-in-lieu from 5 percent of Project Revenues to 3.28 percent of Project Revenues as said term is defined in the Original PILOT Agreement, the form of First Amendment shall be consistent with the terms set forth herein and subject to the review and approval of the Township Attorney.
3. The Mayor and Council hereby adopt the within resolution and make the determination and findings herein contained by virtue of, pursuant to, and in the conformity with the provisions of the HMFA Law with the intent and purpose that the Agency shall rely thereon in making a mortgage loan to PIRHL, which shall construct, own and operate the Project.
4. This resolution shall take effect immediately.

Attest:

\_\_\_\_\_  
Carla Conner, RMC, Township Clerk

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Hon. Brian Mullay, Mayor

Adopted: September 8, 2021

#### **CERTIFICATION**

I, Carla Conner, Clerk of the Township of Clinton, do hereby certify that the foregoing resolution was duly adopted by the Clinton Township Mayor and Council at a regular meeting held on September 8, 2021.

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Carla Conner