

**CITY OF CAMDEN REDEVELOPMENT AGENCY**  
**RESOLUTION SUMMARY**

Housing

Resolution No.: **09-07-11D**

Resolution Title:

**Resolution Authorizing a Loan Commitment to Cramer Hill  
Community Development Corporation for the Berkeley Street Housing Project  
in Connection with Neighborhood Stabilization Program 2 ("NSP 2") Funds**

Project Summary:

In January 2010, CRA was awarded \$11.9 Million grant under HUD's NSP 2 Program, funded through the American Recovery and Reinvestment Act. CRA is administering NSP 2 program activities in targeted neighborhoods within the City. Eligible NSP 2 activities include the redevelopment or rehabilitation of vacant, abandoned or foreclosed upon homes and residential properties. CRA's loan participation in the development of the Berkeley Street project is a NSP 2 eligible activity.

- Cramer Hill Community Development Corporation ("CHCDC") and/or its permitted assignees, is the developer of the Berkeley Street Housing Project in the City's Cooper Plaza neighborhood. The Berkeley Street Project ("the Project") is a 4- unit new construction residential project, which after redevelopment, these residential units will be offered for resale to qualified NSP 2 homebuyers.
- Non-recourse Construction/Permanent Loan – CRA will provide a non-recourse construction/ permanent loan to CHCDC in the amount of \$535,000 from NSP 2 grant funds for the Berkeley Street housing project. This loan commitment is conditioned upon CRA's satisfactory completion and HUD's review of an environmental assessment, and HUD subsequent issuance of a release of NSP 2 funds as set forth in 24 CFR Part 50.
- Terms and conditions - The proceeds of the NSP 2 loan will be used, in part, to assist in the construction of 4 single family dwelling units that will be offered for resale to qualified NSP 2 homebuyers.
- The term of the loan is two years at 0 % interest from the date of the construction loan closing. During the term of construction loan no principal or interest will be required to be repaid. Payment of taxes during construction will be required, and is an eligible project-based expense. Upon completion of the unit and at resale to a qualified NSP 2 purchaser, the loan will be recast as a permanent loan to the purchaser. The principal amount of the permanent loan will be subject to a declining rate of 20% per annum for each year that home is owner-occupied. The resale of units prior to the end of the term will be subject to recapture provisions and affordability restrictions established by HUD and applicable to the use of NSP 2 grant funds.

- CHCDC applied for and secured firm commitments from the City of Camden HOME programs. Total Development Cost amounts (TDC) to \$2.5MM. Construction financing closing is to occur not later than the end of the 3rd quarter 2011.

Award Process:

N/A

Cost Not To Exceed:

N/A

Total Project Cost:

\$350,000 NSP 2 Loan / TDC \$1.4MM

Source of Funds:

Neighborhood Stabilization Program 2 Grant Funds

09-07-11-D

**Resolution Authorizing a Loan Commitment to Cramer Hill  
Community Development Corporation for the Berkeley Street Housing Project  
in Connection with Neighborhood Stabilization Program 2 (“NSP 2”) Funds**

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

**WHEREAS**, the CRA/City of Camden applied for and was awarded a \$11.9 Million grant under the Neighborhood Stabilization Program (“NSP 2”) by the U.S. Department of Housing and Urban Development (“HUD”), pursuant to the American Recovery and Reinvestment Act of 2009 and the Housing and Economic Recovery Act of 2008, for the purpose of assisting in the redevelopment of vacant or abandoned, or foreclosed upon properties, leading to stabilization of negatively affected neighborhoods; and

**WHEREAS**, the CRA is administering the implementation of HUD’s NSP 2 Program within targeted City of Camden neighborhoods and to accomplish these goals CRA must be able to enter into agreements and make loans for the purpose of financing NSP 2 eligible activities, including the acquisition, construction, rehabilitation, and demolition of properties in connection with developing housing or related projects; and,

**WHEREAS**, Cramer Hill Community Development Corporation (“CHCDC”), and/or its permitted assigns is the redeveloper of the Berkeley Street Housing project (“the Project”); and,

**WHEREAS**, CHCDC proposes to acquire and make substantial improvements to certain vacant properties that make up the Project as set forth in Exhibit A attached hereto and incorporated herein; and

**WHEREAS**, CHCDC applied for and secured firm commitments from the City of Camden HOME program funds to further subsidize and write down the cost of developing the Project; and

**WHEREAS**, CRA approves the Project and desires to authorize the funding of a construction/permanent loan from NSP 2 grant funds for the Project’s development under certain terms and conditions.

**NOW, THEREFORE, BE IT RESOLVED** that the governing body of the City of Camden Redevelopment Agency does hereby authorize the Executive Director, a duly authorized representative of the City of Camden Redevelopment Agency, to enter into a non-recourse construction/permanent loan commitment and agreement with Cramer Hill Community Development Corporation and/or its permitted assigns under such terms and conditions as follow:

1. CRA is providing a non-recourse construction/permanent loan in the amount of \$535,000 to CHCDC from NSP 2 funds to finance a portion of the Berkeley Street housing project. This loan commitment is conditioned upon CRA’s satisfactory completion and HUD’s review of an environmental assessment of the Project site, and HUD’s subsequent issuance of a release of NSP 2 funds as set forth in 24 CFR Part 50.

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2. The proceeds of the NSP 2 loan will be used, in part, to assist in the construction of 4 single family dwelling units that will be offered for resale to qualified NSP 2 homebuyers.
3. The term of the loan is two years at 0 % interest from the date of the construction loan closing. During the term of construction loan no principal or interest will be required to be repaid. Payment of taxes during construction will be required, and is an eligible project-based expense.
4. Upon completion of the unit and at resale to a qualified NSP 2 purchaser up to 120% of the areas' median income, the loan will be recast as a permanent loan to the purchaser. The principal amount of the permanent loan will be subject to a declining rate of 20% per annum for each year that home is owner-occupied. The resale of units prior to the end of the required term will be subject to recapture provisions and affordability restrictions established by HUD and applicable to the use of NSP 2 grant funds.
5. The construction/permanent loan will be secured by a mortgage on the property and shall be in a subordinate lien position behind other financing.

**Further, Authorizing** execution and delivery of any and all documents necessary to carry out the foregoing.

ON MOTION OF: Louis Quinones

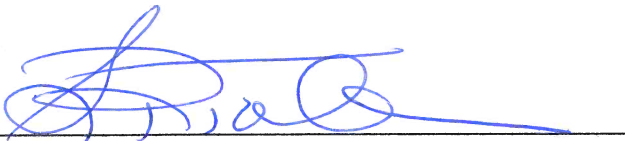
SECONDED BY: Jose Vazquez

AYES	NAYS	ABSTENTIONS
4	0	0



Vance Bowman  
Vice Chairperson

ATTEST:



Sandra Ross Johnson  
Executive Director

**PROJECT SUMMARY****The Berkeley Street Housing Project****Redevelopment/Neighborhood Plan:** Cooper Plaza Redevelopment Plan & Neighborhood Plan

**Developer:** Cramer Hill Community Development Corporation  
 1892 River Ave, Suite 102, Camden, NJ 08105  
 Office: 856-964-2465 Fax: 856-964-2363

**Type:** New Construction, Contiguous Sites  
**Program:** Fee Simple, Townhomes  
 4 New Construction Units

**Development Budget**

	<b>Project Budget</b>	<b>Per Unit</b>
<b>SOURCES:</b>		
Sales Proceeds	\$650,000	\$162,500
NSP 2 Soft Loan	\$500,000	\$125,000
HOME	\$200,000	\$50,000
<b>Total Sources</b>	<b>\$1,350,000</b>	<b>\$337,500</b>
<b>USES:</b>		
Acquisition	\$32,175	\$6,435
Residential Structures	\$966,140	\$241,535
Contractor Fee	\$55,000	\$13,750
Hard Cost Contingency	\$66,250	\$16,562
Professional Services	\$125,687	\$31,421
Carrying and Financing Costs	\$68,820	\$17,205
Cost of Sales	\$5,000	\$1,250
Developer Fee	\$80,000	\$20,000
<b>Total Uses</b>	<b>\$1,394,072</b>	<b>\$348,518</b>

**Affordability Levels**

1 @ 55%AMI                      3@ 80% + AMI

**Number of Units**                      4  
**Avg. Sales Prices**                      \$162,500

**Other Considerations:**

- Proposed land use is consistent with the housing goals of the Cooper Plaza Redevelopment Plan
- Redevelopment site described on the Official Tax Map as Block 1411, Lots 3 thru 7