

CITY OF CAMDEN REDEVELOPMENT AGENCY  
RESOLUTION SUMMARY

**Housing Companion Resolution**

**Resolution No.: 12-13-17E**

**Resolution Title:**

Resolution Authorizing 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. In 1990's, the CRA assembled the 50 properties set forth on Exhibit A for residential development by acquiring some of the properties from the City and some from the Housing Authority for nominal consideration and by acquiring some of the properties by the use of grant funds provided by the City.
2. The CRA conveyed the 50 properties to Cooper Plaza Historic Homes, L.P who developed the property into 64 units of rental housing.
3. The Project was financed under the State's Tax Credit Program, and to achieve maximum equity benefits, the CRA accepted a Note(s) from the original Developer in the total amount of \$880,000.00 plus 1% interest per year in exchange for the conveyance of the 50 properties. In addition to the CRA loan, the City, DCA and Fair Share also provided funding for the Project and those lenders have lien positions that are ahead of the lien position of the CRA.
4. Currently the occupancy rate for the units is over 80% consisting of many very low income households but the units are in need of extensive upgrades and improvements.
5. The Cooper Plaza Associates, LLC (the "Redeveloper"), an affiliate of Michaels Development Company, proposes to purchase all of the 64 units of housing from Cooper Plaza Historic Homes, L.P and make substantial renovations to all 64 existing scattered site residential units located within 32 buildings along Washington Street and Haddon Avenue.
6. The Redeveloper does not intend to change the use. Redeveloper plans for the "Cooper Plaza Town Homes Preservation Project" to retain the current mix of 53 affordable units and 11 market rate units. No displacement of current residents will take place. The Redeveloper estimates that up to \$75,000 per unit in capital costs will be invested in the Project.
7. The total debt on the Project is approximately \$25,000,000 the current balance owed on the mortgages far exceed the current fair market value of the Project.
8. In order to make the renovation of the Project financially feasible the Redeveloper has requested that all the lenders forgive the Project debt. And, the Redeveloper has made this request of CRA as well.
9. The CRA proposes that in order to preserve this affordable housing project that it is in the best interest of the CRA to forgive the indebtedness owed by the Original Developer to CRA and to authorize the execution of a Discharge of Mortgage at such time as Redeveloper closes on its financing to purchase and rehabilitate the Project.
10. The forgiveness of this mortgage and the release of the Discharge of Mortgage is conditioned upon (1) the completion of the financing and purchase of the Properties by the Redeveloper, (2) the execution of an acceptable Redevelopment Agreement between the CRA and the Redeveloper that requires the rehabilitation of the units and (3) the forgiveness of the indebtedness held by all of the other lenders for the original Project. In the event that any of these contingencies does not occur then the authorization to forgive and discharge the Mortgage shall be null and void.

**Purpose of Resolution:**

1. Authorize Forgiveness of a Note and Mortgage
2. Authorize a Discharge of Mortgage

**Award Process:** N/A

**Cost Not To Exceed:** NA

**Total Project Cost:** \$15 Million

**Source of Funds:**

Redeveloper's Financing

12-13-17E

**Resolution Authorizing 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.**

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

**WHEREAS**, City Council of the City of Camden (the “City Council”), in accordance with the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq., (the “Redevelopment Law”), designated certain properties known as the Cooper Plaza Redevelopment Area as an area in need of redevelopment (the “Redevelopment Area”); and

**WHEREAS**, City Council adopted by ordinance a redevelopment plan for the Cooper Plaza Redevelopment Area (the “Redevelopment Plan”) in accordance with the Redevelopment Law; and

**WHEREAS**, City Council designated the CRA as redevelopment entity pursuant to the Redevelopment Law to implement redevelopment plans and carry out redevelopment projects within designated Redevelopment Areas; and

**WHEREAS**, CRA, as the redevelopment entity, may designate and enter into agreements with redevelopers to undertake redevelopment projects in the furtherance of the Redevelopment Plan; and

**WHEREAS**, the Cooper Plaza Associates, LLC is the designated Redeveloper (the “Redeveloper”) of the Cooper Plaza Historic Homes Project Site located within the Redevelopment Plan area; and

**WHEREAS**, the Redeveloper proposes to acquire and make substantial improvements to the Project in order to preserve the Project’s affordability and continue the existing residential use of properties reflected on Exhibit A (the “Property Site”); and

**WHEREAS**, in 1993, the CRA and the original developer of the Project, Cooper Plaza Historic Homes, LP (the “Original Developer”) executed a Promissory Note(s) in the amount of \$880,000.00 plus accrued interest at a rate of 1% per annum for CRA’s conveyance to the Original Developer of certain properties for the Project Site and provided a mortgage to the CRA to secure such indebtedness; and

**WHEREAS**, the Original Developer was to repay the principal sum and all accrued interest upon the sale or refinancing of the Project or by December 31, 2010, whichever event occurred earlier; and

**12-13-17E (cont'd)**

**WHEREAS**, the Project has become distressed and is in need of extensive improvements and the total debt owed on the Project is approximately \$25,000,000; and

**WHEREAS**, the Redeveloper proposes to preserve the Project's affordable residential use by acquiring the Project from the Original Developer and making the necessary substantial renovations; and

**WHEREAS**, in order to make the purchase and renovation of the Project feasible, the Redeveloper has requested that CRA and all other lenders for this distressed affordable housing project forgive their portion of the Project debt because the current balance owed on the mortgages far exceeds the current fair market value of the Project; and

**WHEREAS**, the CRA proposes that in order to preserve this affordable housing project that it is in the best interest of the CRA to forgive the indebtedness owed by the Original Developer to CRA and to authorize the execution of a Discharge of Mortgage at such time as Redeveloper closes on its financing to purchase and rehabilitate the Project; and

**NOW THEREFORE BE IT RESOLVED**, by the governing body of the City of Camden Redevelopment Agency that the Interim Executive Director of the Agency, a duly authorized representative, is hereby authorized and directed to forgive the indebtedness owed by the Original Developer 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

**BE IT FURTHER RESOLVED**, that the forgiveness of this indebtedness and the release of the Discharge of Mortgage are conditioned upon the (1) the completion of the financing and purchase of the Properties appearing on Exhibit A by the Redeveloper, (2) the execution of an acceptable Redevelopment Agreement between the CRA and the Redeveloper that requires the rehabilitation of the units and (3) the forgiveness of the indebtedness currently held by all of the other lenders for the original Project. In the event that any of these contingencies does not occur then the authorization to forgive and discharge the Mortgage shall be null and void.

**BE IT IS FURTHER RESOLVED**, that the Interim Executive Director, or her designee, is hereby authorized and directed to take all actions and execute any and all other documents necessary to effectuate the purposes of this resolution.


12-13-17E (cont'd)

ON MOTION OF: Ian K. Leonard

SECONDED BY: Vance Bowman

COMMISSIONER	AYES	NAYS	ABSTENTIONS
Marilyn Torres	✓		
Sheila Davis	✓		
Vance Bowman	✓		
Ian Leonard	✓		
Javier Ramos	✓		
Maria Sharma	✓		

  
\_\_\_\_\_  
Marilyn Torres  
Chairperson

ATTEST:   
\_\_\_\_\_  
Olivette Simpson  
Interim Executive Director

The above has been reviewed and approved as to form.

  
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Mark P. Asselta, Esq., Board Counsel

**EXHIBIT A**  
**Cooper Plaza Historic Homes Property List**

<b>Block</b>	<b>Lot</b>	<b>Property Location</b>	<b>Owner Name</b>
1432	40	501 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1432	41	503 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1432	42	505 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1432	43	507-509 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1434	2	705 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	3	707 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	4	709 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	5	711 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	6	713 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	7	715 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	8	717 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	9	719 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	10	721 BLAINE ST	COOPER PLAZA HISTORIC HOMES
1434	45	400 SO 7TH ST	COOPER PLAZA HISTORIC HOMES
1434	47	706 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1434	51	714 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1434	52	716 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1434	53	718 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	20	726 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	21	728 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	22	730 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	23	732 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	24	734 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	25	736 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	26	738 WASHINGTON ST	COOPER PLAZA HISTORIC HOMES
1437	28	419 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1437	29	421 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1437	30	423 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1437	31	425 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1437	32	427 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	33	429 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	34	431 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	35	433 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	36	435 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	37	437 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	38	439 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	39	441 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	40	443 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1438	41	445 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	10	499 NEWTON AVE	COOPER PLAZA HISTORIC HOMES
1439	11	497 NEWTON AVE	COOPER PLAZA HISTORIC HOMES
1439	12	495 NEWTON AVE	COOPER PLAZA HISTORIC HOMES
1439	48	447 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	49	449 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	50	451 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	51	453 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	52	455 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	53	457 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	54	459 HADDON AVE	COOPER PLAZA HISTORIC HOMES
1439	55	461 HADDON AVE	COOPER PLAZA HISTORIC HOMES

**Notes:**

28 properties conveyed to CRA from City for \$1.00.

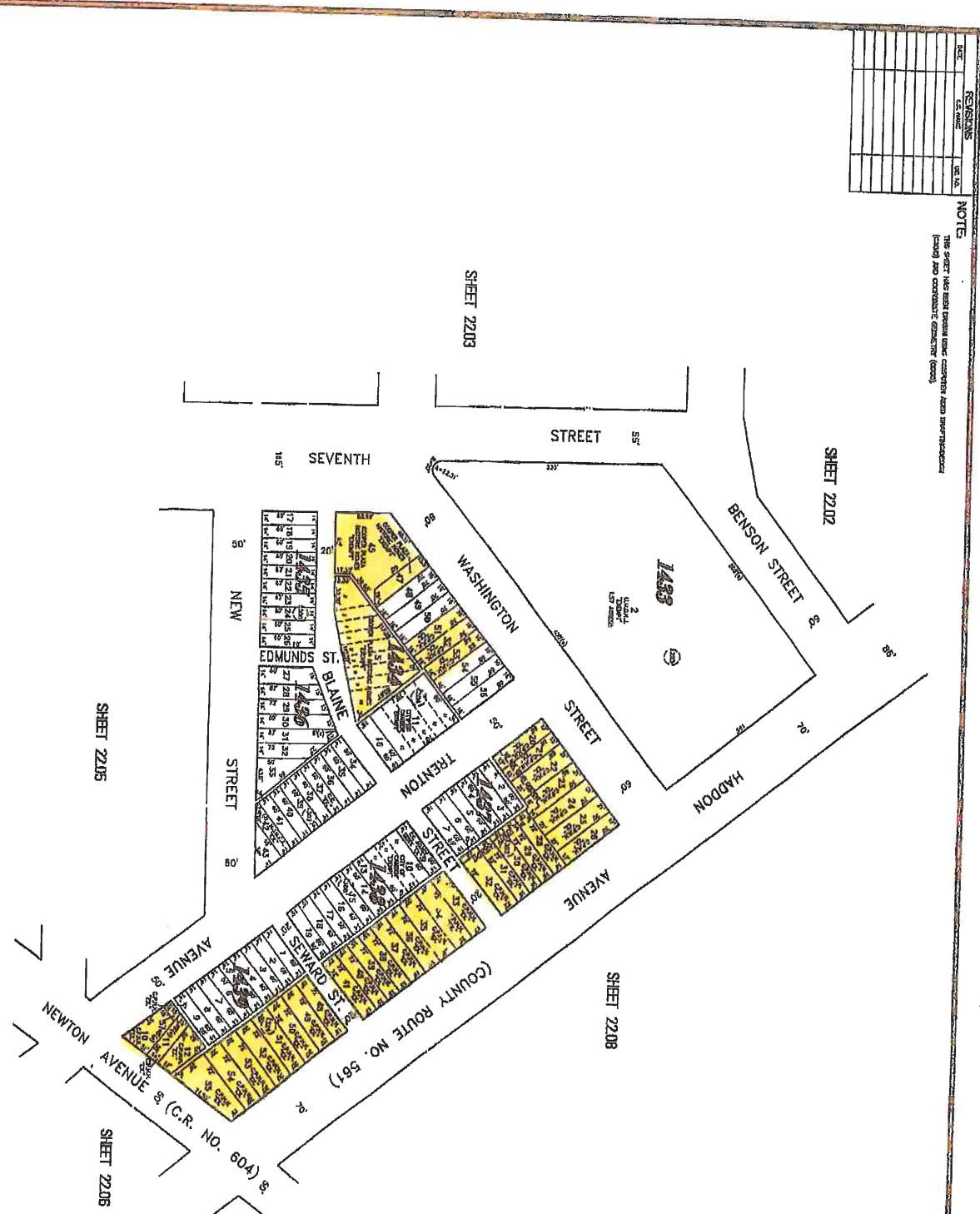
7 properties conveyed to CRA from HACC for \$1.00.

15 properties acquired by CRA with a HOME grant from the City

# TAX MAP CITY OF CAMDEN 22.07

DATE	REVISIONS	BY	CHK.

**NOTE:**  
This sheet has been revised according to the Department of Planning and Zoning's (DPZ) and the Department of Public Works' (DPW) recommendations.



SEE PAGE 20

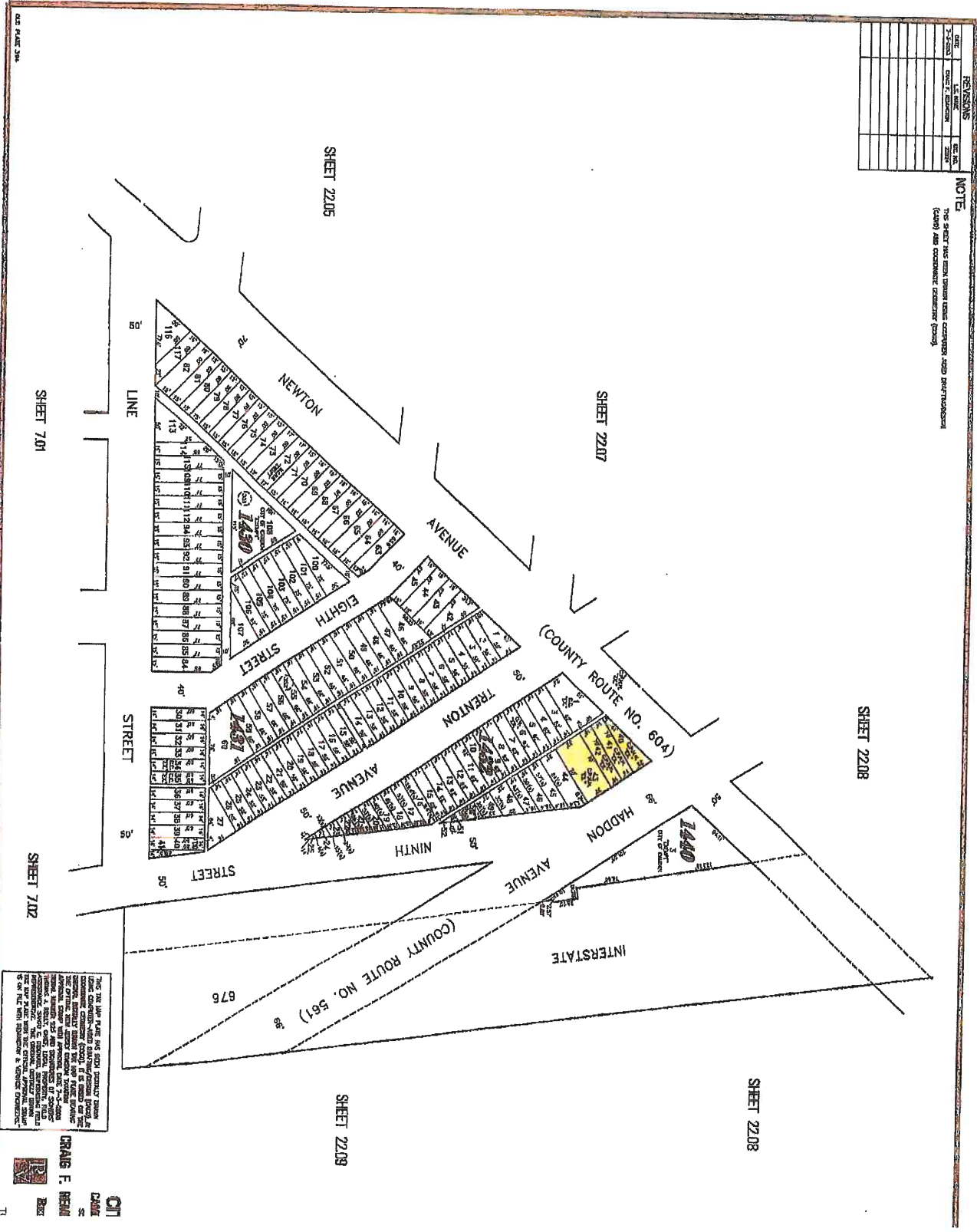

**CRAIG F. REIDMAN & COMPANY**  
 CIVIL ENGINEERS  
 1000 ...  
 CAMDEN, NJ 08102

SHEET 22.07  
 TOTAL AREA: 1,200,000 SQ. FT.  
 TOTAL LOTS: 1,200  
 TOTAL ACRES: 27.46

# TAX MAP CITY OF CAMDEN 22.06

REVISIONS			
DATE	BY	DESCRIPTION	SHEET NO.

**NOTE**  
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**CRANES F. REYNOLDS**  
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