

## RESO #2019-9

Low Income Housing Credit Program  
Kronman Affordable Housing, LP  
RAD Conversion Project  
HMFA #03161

### RESOLUTION OF THE HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS, CERTIFICATES AND AGREEMENTS IN CONNECTION WITH THE TAX CREDIT RAD CONVERSION OF KRONMAN APARTMENTS

(The Housing Authority of the Borough of Highland Park)

The Undersigned hereby certifies that the following is a true and correct copy of the Resolution duly and unanimously adopted by the Board of Commissioners of the Housing Authority of the Borough of Highland Park, a body corporate and politic of the State of New Jersey (the "Authority"), and that such Resolution has not in any way been altered or appealed and is in full force and effect, unrevoked and unrescinded as of this date.

**WHEREAS**, Kronman Affordable Housing, LP, a New Jersey limited partnership (the "Partnership"), desires to borrow from the New Jersey Housing and Mortgage Finance Agency (the "Agency") the funds necessary to: (i) finance the renovation of a 6-story residential low income public housing building (the "Building") located at 242 South 6th Street, Highland Park, Middlesex County, State of New Jersey (the "Property") to be purchased by the Partnership from the Authority pursuant to the terms and conditions of that certain Purchase and Sale Agreement by and between the Authority and the Partnership (the "Purchase Agreement"), (ii) fund \$300,000 in reserves, and (iii) paying for the cost of improvements to the Building and Property (the "Agency Loan"); and

**WHEREAS**, the Authority will retain ownership of the Property upon which the Building is located and will enter into a 99-year ground lease with the Partnership pursuant to the terms and conditions of a Ground Lease Agreement (the "Ground Lease"); and

**WHEREAS**, in connection with the Purchase Agreement, the Authority will also loan the Partnership \$2,510,000 pursuant to a Promissory Note made by the Partnership in favor of the Authority to finance the acquisition costs of a portion of the Improvements (as defined in the Ground Lease) on the Property (the "Authority Note"); and

**WHEREAS**, as a condition of the admission of PNC Bank, N.A., as investment limited partner ("PNC"), and Columbia Housing SLP Corporation, as special limited partner, to the Partnership, PNC is requiring that the Authority execute and deliver that certain Agreement of Guaranty in favor of PNC and Columbia Housing SLP Corporation (the "Guaranty Agreement") and that certain Pledge Agreement in favor of PNC (the "Pledge Agreement") pursuant to which the Authority will deposit the amount of \$400,000 in an escrow account in order to induce PNC to extend the Obligations (as defined therein) to the Partnership; and

**WHEREAS**, the Authority will serve as project sponsor to the Partnership in connection with a third subordinate loan in the amount of \$722,378 from the Federal Home Loan Bank of New York (FHLB NY) which loan will be funded by Atlantic Stewardship Bank; and

**WHEREAS**, in connection with undertaking and consummating the transaction, the Authority is required to execute and deliver various other documents and agreements, including, but not limited to, the Ground Lease, Purchase Agreement, Guaranty Agreement, Pledge Agreement, the Non-Disturbance Agreement and Ground Lease Modification, First Subordinate Acquisition Loan Agreement (Authority), First Subordinate Leasehold Mortgage and Security Agreement (Authority), First Subordinate Agreement to Subordinate to HUD RAD Use Agreement, Second Subordinate Note (Authority), Second Subordinate Acquisition Loan Agreement (Authority), Second Subordinate Leasehold Mortgage and Security Agreement (Authority), Third Subordinate Mortgage for Rental Projects (FHLB NY), Rider to Third Subordinate Mortgage (FHLB NY), Agreement to Subordinate to Rental Assistance Demonstration Use Agreement (FHLB NY), Second Subordinate Agreement to Subordinate to HUD RAD Use Agreement, Amendment to the PILOT Agreement and all other related documents or agreements in connection with the Project (collectively, the “Documents”).

**NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE BOROUGH OF HIGHLAND PARK, IN THE COUNTY OF MIDDLESEX, NEW JERSEY**

**1.** The Authority is authorized to execute, deliver and/or enter into each of the Documents and to consummate all of the transactions contemplated thereby and related thereto; and it is further resolved that

**2.** The Chairman, Executive Director and/or the Secretary of the Authority be, and each of them acting alone hereby is, appointed, authorized, directed and empowered to execute, deliver and witness or attest to the execution and delivery of each of the Documents, with such changes, amendments or modifications to the Documents as the Officer executing same, may approve, in consultation with counsel for the Authority, and execution by such Officer shall be conclusive evidence of approval without further action by the Authority; and it is further resolved that

**3.** The Documents made available for inspection by the Officers are hereby approved, with such changes, amendments or other modifications as the Officer executing same shall approve in consultation with counsel and execution by such Officer shall be conclusive evidence of approval without further action by the Authority; and it is further resolved that

**4.** Any and all actions previously taken, and agreements entered or to be entered into, by the Authority to date with respect to the Project, are each ratified and approved in all respects and that the Officers of the Authority, are each authorized to take any and all further action necessary, appropriate or desirable in connection with the financing, construction, ownership and operation of the Project, including, without limitation, the execution, certification delivery, filing and recording such additional agreements, documents, certificates and instruments as such officer may deem necessary and proper to implement the provisions of the resolutions herein and to consummate the transactions contemplated thereby.

**5.** The Resolution shall take effect immediately upon adoption.

Motion to adopt Resolution #2019-9 moved by Commissioner Sedehi and seconded by Commissioner Methven and upon roll call the vote was as follows:

ROLL CALL: Chudnick Martinez Methven Rainwater Reh Sedehi

AYES: Chudnick Martinez Methven Sedehi

NAYS: None

Abstain: None

Absent: Rainwater Reh

I hereby certify that the above Resolution is a true and exact copy of the Resolution adopted by the Board of Commissioners of the Housing Authority of the Borough of Highland Park at their meeting on March 12, 2019.

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Donna Brightman, Secretary