

**ORDINANCE NO. 1167-2022**

**AN ORDINANCE AMENDING ORDINANCE NO. 1115-18  
REGARDING THE CONVEYANCE OF A SIX-ACRE  
PORTION OF THE “MAROOKIAN” SITE (BLOCK 82,  
LOTS 4 & 4.03) FOR THE DEVELOPMENT OF A  
MUNICIPALLY-SPONSORED 100% AFFORDABLE  
HOUSING BY CLINTON LIHTC URBAN RENEWAL  
LLC**

**WHEREAS**, pursuant to Ordinance No. 1115-18 adopted on June 13, 2018 (the “2018 conveyance ordinance”), the Township of Clinton (“Township”) authorized the conveyance of a six-acre portion of the “Marookian” site, identified as a portion of Block 82, Lots 4 & 4.03 (the “Property”) to PIRHL Developers, LLC’s affiliate Clinton LIHTC Urban Renewal LLC, (the “URE”) for the construction of a municipally-sponsored 100% affordable housing development (the “Project”), as called for in the Township’s settlement agreement with Fair Share Housing Center, Inc. and in the Township’s court-approved “third round” housing element and fair share plan; and

**WHEREAS**, the URE has since received the necessary approvals from the Clinton Township Planning Board to develop the Property; and

**WHEREAS**, the Project is being financed using tax credits awarded by the New Jersey Housing Mortgage and Finance Agency (“HMFA”); and

**WHEREAS**, the 2018 conveyance ordinance expressly identified the URE as the authorized grantee; and

**WHEREAS**, the attorneys for PIRHL and Clinton LIHTC Urban Renewal LLC are now requesting that the Township convey the property to PIRHL’s subsidiary non-profit entity, Prevention Resources, Inc., (“Prevention”), a New Jersey non-profit corporation with offices at 4 Walter E. Foran Boulevard, Flemington, NJ 08822, due to certain negative financial implications if the Property is conveyed directly to the URE (see letter dated March 8, 2022 from Katharine A. Coffey, Esq. to Township Attorney Trishka Waterbury Cecil, Esq., attached hereto as **Exhibit A**); and

**WHEREAS**, counsel for PIRHL and the URE has represented to the Township that immediately upon receipt of the deed of conveyance from the Township to Prevention, Prevention will convey the property to the URE, as contemplated by the 2018 conveyance ordinance (see Exhibit A); and

**WHEREAS**, as set forth in the 2018 conveyance ordinance, the Local Lands and Buildings Law (“LLBL”) at *N.J.S.A. 40A:12-21(l)* expressly authorizes municipalities to convey municipally-owned property at private sale and for nominal consideration to “[a]ny duly incorporated urban renewal corporation organized pursuant to [*N.J.S.A. 40A:20-1 et seq.*] for the

purpose of constructing housing for low or moderate income persons or families or persons with disabilities”; and

**WHEREAS**, the LLBL at *N.J.S.A.* 40A:12-21(j) also expressly authorizes municipalities to convey municipally-owned property at private sale and for nominal consideration to “[a]ny duly incorporated nonprofit organization for the purpose of building or rehabilitating residential property for resale”; and

**WHEREAS**, the Mayor and Council find that conveying the site to Prevention, which in turn will immediately convey the property to the URE, is consistent with the intent and purpose of the 2018 conveyance ordinance and help ensure the financial viability of the Project; and

**WHEREAS**, the Mayor and Council find that accordingly, it is in the best interests of the Township to convey the property at private sale for nominal consideration to Prevention, subject to Prevention in turn immediately conveying the property to the URE;

**NOW THEREFORE, BE IT ORDAINED** by the Mayor and Council of the Township of Clinton, in Hunterdon County, New Jersey as follows:

**Section 1. Preamble Incorporated.** The statements and findings set forth in the preamble above are hereby incorporated as if fully restated herein.

**Section 2. Ordinance 1115-18 Amended and Conveyance of Property to Prevention Resources, Inc. Authorized.** Pursuant to *N.J.S.A.* 40A:12-21(j) and other applicable laws, Ordinance 1115-18 is hereby amended to allow the conveyance for one dollar (\$1.00) of a six-acre portion of the Marookian property (the “Site”) to Prevention Resources, Inc. instead of directly to Clinton LIHTC Urban Renewal LLC, together with any such easements as might be needed to allow for the extension of underground utilities to the property, subject to the following stipulations:

- All other provisions of Ordinance 1115-18 other than as modified herein shall remain in full force and effect.
- Prevention Resources, Inc., shall immediately convey the property to Clinton LIHTC Urban Renewal, LLC, and the deed from the Township to Prevention Resources Inc. and the deed from Prevention Resources, Inc. to Clinton LIHTC Urban Renewal, LLC shall be recorded sequentially on the same day.

**Section 3. Authority to Implement Terms of Conveyance.** The Mayor, Administrator, Clerk, and Township Attorney, and other appropriate staff and officials are hereby authorized and directed to prepare any and all such documents and undertake any and all such acts as may be needed to implement the terms hereof, in accordance with the stipulations set forth in Section 2 of this ordinance.

**Section 4. Repealer.** All ordinances and resolutions or parts thereof inconsistent with this ordinance are repealed.

**Section 5. Severability.** If any paragraph, section, subsection, sentence, sentence clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court or administrative agency of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision of such holding and shall not affect the validity of the remaining paragraphs or sections hereof.

**Section 6. Effective Date.** This ordinance shall take effect in accordance with all applicable statutory requirements.

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

\_\_\_\_\_  
Brian Mullay, Mayor

Introduced: March 9, 2022

Adopted: \_\_\_\_\_, 2022

# EXHIBIT A



BOSTON CONNECTICUT FLORIDA NEW JERSEY NEW YORK PROVIDENCE WASHINGTON, DC

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March 8, 2022

## VIA E-MAIL

Trishka Waterbury Cecil, Esq.  
Mason, Griffin & Pearson, PC  
101 Poor Farm Road  
Princeton, NJ 08540

Re: Township of Clinton - Conveyance to PIRHL nonprofit affiliate  
Client-Matter No: 787535-000030

Dear Ms. Cecil:

As you are aware, this firm represents PIRHL Developers, Inc. (“PIRHL”), and its affiliate, Clinton LIHTC Urban Renewal LLC (the “URE”). The Township previously adopted Ordinance 1115-18 to authorize the conveyance of a portion of the “Marookian Property” located at Block 82, Lots 4 and 4.03 to be subdivided and designated as Block 82, Lot 4.04 (the “Property”) to Clinton LIHTC Urban Renewal LLC for the development of approximately 84 units of affordable family rental housing, together with such other improvements as may be necessary such as leasing offices, community meeting space, landscaping, curbing and parking (the “Project”). PIRHL and the URE respectfully request that the Township donate the Property to a non-profit entity, Prevention Resources, Inc. (“Prevention”), instead of directly conveying it to the URE. A wholly owned subsidiary of Prevention is a member of the URE Entity. At the closing, upon conveyance of the Property from the Township to Prevention, Prevention would then immediately and sequentially execute a deed from Prevention to URE, such that the deed between the Prevention and the URE would be recorded sequentially after the deed from the Township to the URE on the same day.

PIRHL requests that the Property be conveyed as a donation to the non-profit, Prevention, rather than a donation directly to the URE because a donation to a for-profit entity, such as the URE, is a taxable event resulting in grant income. Grant tax dilutes the benefits of the donation by the Township to the Project. Instead, by donating the Property to non-profit Prevention, with Prevention then immediately conveying the Property to the URE, this expense can be avoided.

Trishka Waterbury Cecil, Esq.  
March 8, 2022  
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As we have discussed, to permit donation of the Property to Prevention, the Township must introduce an ordinance authorizing the conveyance. However, we respectfully request that the Township adopt the ordinance via emergency resolution, rather than standard adoption. The Closing on the Property, as well as the Low Income Housing Tax Credits awarded to the Project, is presently scheduled for March 24, 2022. Projects utilizing Low Income Housing Tax Credits, including the Project, are subject to strict deadlines based on applicable regulations. The deadline for all units in the Project to be available for occupancy (referred to as “placed in service” by IRS Code) is no later than December 31, 2023. This deadline is accelerated to October 31, 2023 by the Project’s tax credit investor. Failure to meet this deadline jeopardizes the entire Project.

Given the complexity of construction associated with the Project, there is a very tight construction schedule, which has been heightened by the recent market and materials disruptions. Most critical, however, is the NJDEP’s prohibition on tree removal from April 1, 2022 through September 15, 2022 for the protection of certain endangered species habitat. Were the Closing to be delayed to allow time for the adoption of an Ordinance, and twenty-day effective period imposed by the Faulkner Act, the Project would be delayed for more than six months due to the NJDEP restrictions. This delay would make satisfaction of the “placed in service” deadline impossible, causing the Project to forfeit its Low Income Housing Tax Credits.

Accordingly, to avoid the significant tax expense associated with donation directly to the URE, and to insure that the Project can be commenced prior to the six month NJDEP prohibition on tree removal, we respectfully request the Township adopt an emergency resolution authorizing emergency implementation of an ordinance authorizing conveyance of the Property to Prevention.

Please do not hesitate to contact me should you require any additional information. PIRHL is truly appreciative of the Township continued partnership and support of this important Project.

Very truly yours,



Katharine A. Coffey

KAC