

ECONOMIC RECOVERY BOARD FOR CAMDEN

July 29, 2008

New Jersey Economic Development Authority, Trenton, NJ

MINUTES OF THE MEETING

Members of the Board present via phone: Chairperson Hannah Shostack for David Rousseau, State Treasurer; Rev. J. C. Jones, Vice Chairman; Judge Theodore Davis, COO; Mayor Gwendolyn Faison; Tina Vignali for City Council President Angel Fuentes; Marge DellaVecchia representing DCA Commissioner Joseph Doria, Jr.; Freeholder Director Louis Cappelli, Jr., Non-Voting Member; and Public Members: William Hosey, Robert Milner, and Rosa Ramirez.

Also Present: Assistant Secretary: Maureen Hassett; Barbara Mickle, DAG; and EDA staff.

Absent: Secretary Caren Franzini, designee for EDA Chairman Carl Van Horn; Non-Voting Legislative Members: Assemblywoman Nilsa Cruz-Perez, and Senator Dana Redd; and Public Member Rodney Sadler.

Assistant Secretary Hassett called the meeting to order at 10:05 am.

In accordance with the Open Public Meetings Act, Ms. Hassett announced that notice of this meeting had been sent to the *Star Ledger*, the *Times*, and the *Courier Post* at least 48 hours prior to the meeting, and that a meeting notice has been duly posted on the Secretary of State's bulletin board at the State House.

A quorum of the ERB Board was present.

Ms. Hassett asked for a motion to approve the May 27, 2008, and the July 14, 2008 Special Meeting minutes of the Board.

MOTION TO APPROVE: Judge Davis SECOND: Mr. Hosey AYES: 8

Ms. Hassett announced that Maria Yglesias of M & M Development was on the call if the Members had any questions.

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Rosa Ramirez joined the call at this time.

Ms. Hassett stated that the Members were being asked to approve the request of M & M Development, LLC ("M & M") (P20891) to modify the scope of the project, increase the ERB soft loan by \$611,428 to a total of \$3,584,260 to M & M Development, LLC, and allow the exception to exceed the \$60,000 per unit maximum by \$7,628 pursuant to Section 7 of the ERB Guide to Program Funds.

Freeholder Director Louis Cappelli, Jr. joined the call at this time.

Ms. Hassett stated that at the March 25, 2008 ERB Board Meeting, the Members approved a \$2,972,832 soft loan to M & M for financing on the Coopers Hill Housing Development Project (Coopers Hill). At that time, the 94-unit housing project consisted of seventy-nine (79) market rate and fifteen (15) affordable home-ownership units. The ERB soft loan was earmarked to subsidize all of the market rate units.

Ms. Hassett remarked that Coopers Hill would continue to have three phases, Phase IA, Phase IB and Phase II, with an overall increase of 6 units, for a total of 100 units. The project has been redesigned to include 84 market rate units and 16 affordable units. Ms. Hassett pointed out that the original project cost for the 94-unit project was \$25,176,832. The total cost for the 100-unit project has increased to \$28,347,799 (comprised of \$18,417,260 for Phases IA & IB, and \$9,930,539 for Phase II) as a result of the increase in units and a new calculation of prevailing wages being paid on the construction of Coopers Hill for Phases IA and IB only.

The timeline of the project has changed and will commence with the construction of Phase IB in October 2008, with an estimated completion date of September 2009. Phase IA will begin in March 2009 and be completed in October 2010. Lastly, Phase II is expected to begin in March 2010 and be completed by December 2011.

The ERB will file a third mortgage on the ERB funded properties behind the homebuyer's first purchase money mortgage with a lender and the second mortgage with HMFA, all of which will or may be executed simultaneously. For units sold within the first year of the purchase, ERB will receive 100% of the net sales proceeds. This amount declines annually by 10% for units sold after the first year through the end of Year Ten. After Year Eleven, ERB will not receive any of the net sale proceeds.

Ms. Hassett stated that ERB funds would be disbursed to M & M Development, LLC after the completion of the construction of each phase of the project and upon issuance of all of the permanent Certificates of Occupancies.

MOTION TO APPROVE: Mr. Hosey SECOND: Mr. Milner AYES: 9

Ms. Hassett requested comments from the Members.

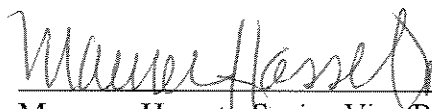
Marge DellaVecchia suggested that the project would be a great reason for a groundbreaking in October.

Ms. Hassett requested comments from the members of the public.

Maria Yglesias expressed her gratitude to the members and stated that it would be great to have a groundbreaking this fall.

There being no further business, on a motion by Mr. Milner, and seconded by Ms. DellaVecchia, the meeting was adjourned at 10:15 am.

Certification: The foregoing and attachments represent a true and complete summary of the actions taken by the State Economic Recovery Board for the City of Camden at its meeting.



Maureen Hassett, Senior Vice President, EDA
Assistant Secretary, ERB