

**TOWNSHIP OF VERONA
COUNTY OF ESSEX, STATE OF NEW JERSEY**

RESOLUTION No. 2023-098

A motion was made by Councilman Tamburro; seconded by Deputy Mayor McGrath that the following resolution be adopted:

**CONSENTING TO THE TRANSFER OF INTERESTS IN VERONA LIHTC
URBAN RENEWAL LLC FROM PIRHL VERONA MM LLC TO CONIFER
VERONA GP, LLC FOR THE DEVELOPMENT OF AFFORDABLE HOUSING
ON BLOCK 2301, LOT 14.01**

WHEREAS, PIRHL Developers, LLC ("**PIRHL**") and the Township of Verona (the "**Township**") entered into a Contract for Sale of Real Estate dated June 9, 2020 (the "**Original PSA**") pursuant to which the Township agreed to convey to PIRHL property designated as Block 2301, Lots 11, 12, 14-17, 19, and a portion of Lot 18, to be consolidated and designated as new Block 2301, Lot 14.01 on the official tax map of the Township of Verona (the "**Property**") for the development of an expanded affordable housing project consisting of 95 units (the "**Project**"); and

WHEREAS, the Original PSA was amended and assigned from PIRHL to Verona LIHTC Urban Renewal LLC ("**Verona LIHTC**"), a special purpose entity formed by PIRHL for the development of the Project (the "**Redeveloper**"), via the execution of a First Amendment with respect thereto dated February 7, 2022, and thereafter said agreement was further amended pursuant to a Second Amendment dated August 26, 2022 (the Original PSA, together with all subsequent amendments, the "**PSA**"); and

WHEREAS, PIRHL and the Township entered into a Redeveloper Agreement dated January 9, 2020, setting forth the terms and conditions for the Project (the "**Original Redeveloper Agreement**"); and

WHEREAS, the Original Redeveloper Agreement was amended pursuant to that certain First Amendment to the Redeveloper Agreement dated September 3, 2020, as further amended and assigned pursuant to that certain Second Amendment to and Assignment of Redeveloper Agreement dated February 7, 2022, pursuant to which the Original Redeveloper Agreement, as amended, was assigned by PIRHL to the Redeveloper, and as further amended by that certain Third Amendment to the Redeveloper Agreement dated August 26, 2022 (the Original Redeveloper Agreement, together all subsequent amendments, the "**Redeveloper Agreement**"); and

WHEREAS, PIRHL and the Township entered into an Agreement for Payments in Lieu of Taxes dated January 9, 2020 providing a tax exemption for the Property and payment in lieu of taxes pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, N.J.S.A. 55:14K-1 et seq. (the "**Original PILOT Agreement**"); and

WHEREAS, the Original PILOT Agreement was amended by a First Amendment to the Original PILOT Agreement dated September 3, 2020, and as further amended and assigned by a Second Amendment to and Assignment of Agreement for Payments in Lieu of Taxes dated February 7, 2022, assigning the Original PILOT Agreement, as amended, to the Redeveloper (the Original PILOT Agreement, together with all subsequent amendments, the "**PILOT Agreement**") (the PSA, Redeveloper Agreement, and PILOT Agreement collectively referred to herein as the "**Agreements**"); and

WHEREAS, Redeveloper is presently owned by (i) PIRHL Verona MM LLC ("**Assignor**"), a subsidiary of PIRHL, with respect to a 0.01% managing member interest, and (ii) PIRHL with respect to a 99.99% member interest;

WHEREAS, (i) PIRHL and Assignor are seeking to transfer to Conifer Realty, LLC, its affiliate Conifer Verona GP, LLC, or a project-specific, wholly-owned subsidiary thereof (as applicable, "**Assignee**") its interests in the Redeveloper and all rights to develop the Project pursuant to the Agreements and (ii) in connection with the initial low-income housing tax credit closing on the Project, an investor member and special member will be admitted to the ownership

of Redeveloper, which investor member is currently anticipated to be Riverside Housing Partnership II 2019 LLC, with respect to a 99.989% member interest, and which special member is anticipated to be Riverside Manager LLC, with respect to a 0.001% special member interest (collectively, and as applicable, the “**Transfer**”), which Transfer is anticipated to occur in three stages:

- (1) Stage 1: following consent to the Transfer from the New Jersey Housing Mortgage and Financing Agency and prior to the low-income housing tax credit closing on the Project,
 - a. PIRHL will transfer fifty-one percent (51%) interest in Redeveloper to Assignee;
 - b. Assignor will transfer its managing member interest in Redeveloper to Assignee;
 - c. PIRHL will transfer its 48.99% interest in Redeveloper to Assignor such that Assignor will hold a forty-nine percent (49%) membership interest in Redeveloper; and
 - d. PIRHL will withdraw as a member of Redeveloper (the “**Initial Transfer**”);
- (2) Stage 2: immediately prior to the low-income housing tax credit closing on the Project, all remaining ownership, membership and other interests of Assignor in and to Redeveloper will be transferred by Assignor to Assignee and thereafter, neither Assignor, nor PIRHL will retain any ownership interest in Redeveloper or the Project (the “**Second Transfer**”); and
- (3) Stage 3: upon the consummation of the low-income housing tax credit closing on the Project, an investor member and special member will be admitted to the ownership of Redeveloper, which investor member is currently anticipated to be Riverside Housing Partnership II 2019 LLC, with respect to a 99.989% member interest, and which special member is anticipated to be Riverside Manager LLC, with respect to a 0.001% special member interest, and Assignee will retain a 0.01% managing member interest in Redeveloper (the “**Final Transfer**”).

WHEREAS, after giving effect to the Final Transfer and the low-income housing tax credit closing for the Project, it is anticipated that Assignee will own, a direct or indirect, approximate 0.01% managing member interest in Redeveloper;

WHEREAS, in contemplation of the Transfer and to the extent not yet previously transferred or assigned to Redeveloper, PIRHL, Assignor and the Township desire to assign all right, title, interest and obligations in, to and under the Agreements related to the development of the Project to Redeveloper; and

WHEREAS, PIRHL and Assignor desire to assign their respective, and applicable percentage of, right, title and interest in the Redeveloper to Assignee as of the date of each applicable Transfer, and Assignee desires to accept such assignment as of the date of each such Transfer, and otherwise cause Redeveloper to continue to comply with all obligations, binding on the Redeveloper under the Agreements upon the terms and conditions set forth in the Agreements after the transfer of ownership interests described herein; and

WHEREAS, because the Transfer at issue herein relates to direct or indirect ownership interests in Redeveloper, an assignment and assumption agreement with respect to the Agreements is not necessary because the Redeveloper will remain liable for continued performance of its obligations thereunder following the Transfer; and

WHEREAS, Redeveloper has, and shall continue to have following the Transfer, sufficient experience and net worth to operate the Project in a manner satisfactory to the Township; and

WHEREAS, Assignor acknowledges and agrees that Redeveloper remains subject to all conditions and covenants of the Agreements.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the Township of Verona in the County of Essex, State of New Jersey that:

1. The Township hereby acknowledges and consents to the proposed Transfer, including, without limitation, the Initial Transfer, the Second Transfer and the Final Transfer, by and between Assignor and PIRHL to Assignee and to the tax credit investor and special member, as applicable. Notwithstanding the foregoing, this Resolution does not obligate PIRHL, Assignor, Assignee or any other party to execute the Transfer.
2. Until the effective date of each applicable Transfer, the current ownership of Redeveloper remains approved by the Township and following the effective date of each Transfer the new ownership of Redeveloper is approved by the Township.
3. All conditions, covenants and terms of the Agreements, remain in full force and effect, and should any applicable Transfer occur, such conditions, covenants, and terms shall remain in full force and effect.
4. This Resolution shall become effective immediately pursuant to law.

ROLL CALL:

AYES: Holland, Tamburro, McEvoy, McGrath, Roman

NAYS:

THIS IS TO CERTIFY THAT THE FOREGOING IS A TRUE AND EXACT COPY OF A RESOLUTION ADOPTED BY THE TOWNSHIP COUNCIL OF THE TOWNSHIP OF VERONA AT THE REGULAR MEETING HELD ON MAY 15, 2023.


JENNIFER KIERNAN
MUNICIPAL CLERK

