

**\*\*\*ADOPTED JUNE 29, 2015\*\*\***

**DELANCO TOWNSHIP**

**ORDINANCE 2015-8**

**AN ORDINANCE OF THE TOWNSHIP OF DELANCO, ADOPTING  
THE FINANCIAL AGREEMENT, ACCEPTING THE APPLICATION FOR TAX  
EXEMPTION UNDER N.J.S.A. 40A:21-1 ET SEQ. AND AUTHORIZING TAX  
EXEMPTION AND PAYMENT IN LIEU OF TAXES IN CONNECTION WITH THE  
DELANCO FAMILY APARTMENTS DEVELOPMENT**

**WHEREAS**, Delanco Family Apartments LLC (name to be changed to Delanco Family Apartments Urban Renewal LLC) (the “Entity”) has made a proposal for the construction of a sixty-four (64) rental unit affordable housing tax credit Development, comprised of a mix of one, two, and three bedroom rental units located at Lot 1, Block 2100 in the Township of Delanco, Burlington County, New Jersey (the “Development”); and

**WHEREAS**, the rental units in the Development would be leased exclusively to tenants whose incomes are at or below sixty percent (60%) of the area median income, and so qualifies as a “low and moderate income housing Development” under the provisions of the Long Term Tax Exemption Law, N.J.S.A., 40A:20-1, *et seq.*; and

**WHEREAS**, the Entity’s proposal and conceptual plan have been reviewed and found consistent with the Township’s goals for revitalization of the area and for the provision of affordable housing in the Township; and

**WHEREAS**, the Entity will be qualified as an “urban renewal entity” pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, *et seq.*; and

**WHEREAS**, the Township acknowledges that the Entity, by effectuating the Development, has significantly limited its profits by maintaining affordability controls upon the

Development for 30 years, and otherwise limiting its profits pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1, *et seq.*;

**WHEREAS**, the Entity has submitted to the Township Committee an Application and Financial Agreement, copies of which are attached and incorporated herein by reference;

**NOW THEREFORE, BE IT ORDAINED**, by the Township Committee of the Township of Delanco that:

(a) Delanco Family Apartments LLC (name to be changed to Delanco Family Apartments Urban Renewal LLC), as the entity proposing to undertake the development of the Development, is hereby granted tax exempt status on a tax phase-in basis, as permitted by N.J.S.A. 40A:20-1. *et seq.*, for the sixty-four (64) affordable rental housing units. Such exemption shall be triggered by the substantial completion of the Development and shall be structured as specified in the Financial Agreement governing the Development and as follows:

- i. Stage 1 of the exemption period shall have a term of fifteen (15) years. During Stage 1, the annual service charge shall be equal to 6.28% percent of the annual gross revenue, calculated pursuant to N.J.S.A. 40A:20-3 and 40A:20-12;
- ii. Stage 2 of the exemption period shall have a term of five (5) years. (Years 16 through 20). During Stage 2, the annual service charge shall be equal to the greater of the figure in (i) above, or twenty (20%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- iii. Stage 3 of the exemption shall have a term of five (5) years. (Years 21 through 25). During Stage 3, the annual service charge shall be equal to the greater of the figure in (i) above, or forty (40%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- iv. Stage 4 of the exemption shall have a term of three (3) years. (Years 26 through 28). During Stage 4, the annual service charge shall be equal to the greater of the figure in (i) above, or sixty (60%) percent of the amount of taxes otherwise due on the value of the land and improvements;
- v. Stage 5 of the exemption shall have a term of two (2) years. (Years 29 and 30). During Stage 5, the annual service charge shall be equal to the

greater of the figure in (i) above, or eighty (80%) percent of the amount of taxes otherwise due on the value of the land and improvements.

(b) The Committee hereby approves the Financial Agreement submitted by Delanco Family Apartments LLC (name to be changed to Delanco Family Apartments Urban Renewal LLC), pursuant to N.J.S.A. 40A:20-1 *et seq.* in connection herewith governing the Development. The Committee hereby authorizes and directs the Mayor of the Township of Delanco, and the Township Clerk, as may be necessary, to execute, on behalf of the municipality, the Agreement for Payments in Lieu of Taxes in substantially the form annexed hereto. The Committee understands and agrees that the revenue projections set forth by the Developer are estimates and that the actual payments in lieu of taxes to be paid by the Entity to the Township shall be determined pursuant to the Agreement for Payments in Lieu of Taxes executed between the parties.

All Ordinances and provisions thereof inconsistent with the provisions of this Ordinance shall be and are hereby repealed to the extent of such inconsistency.

If any section, paragraph, subdivision, clause or provision of this ordinance shall be adjudged invalid, such adjudication shall apply only to the section, paragraph, subdivision, clause or provision and the remainder of this Ordinance shall be deemed valid and effective.

This Ordinance shall take effect immediately upon final passage and publication according to law.