MINUTES OF THE 478th BOARD MEETING
OF THE
NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY
SPECIAL TELECONFERENCE

October 29, 2020

MEMBERS:  
  * Robert Long (representing Lt. Governor Sheila Y. Oliver, Commissioner, DCA)  
  ** Aimee Manocchio Nason, Deputy Attorney General, (representing Gurbir S. Grewal, Attorney General)  
  *** Robert Shaughnessy, Assistant Deputy Director, Department of Treasury  
  (representing Elizabeth Maher Muoio, State Treasurer)  
  **** Paulette Sibbiles-Flagg, Administrator of Accreditation, Department of Banking and Insurance (representing Marlene Caride, Commissioner, Department of Banking and Insurance)  
  ***** Sarah Adelman, Deputy Commissioner (representing Carole Johnson, Commissioner, Department of Human Services)  

Stanley Weeks  
Zenon Christodoulou  
Dorothy Blakeslee

HMFA STAFF PRESENT:  
  Charles A Richman, Executive Director  
  Deb Urban, Chief of Legal and Regulatory Affairs  
  Katherine Brennan, Chief of Staff  
  Laura Shea, Chief of Programs  
  John Murray, Chief Financial Officer  
  Jeanette Nieves, Executive Board Secretary  
  Tanya Hudson-Murray - Managing Director of Multifamily Programs  
  Joseph Heath, Director of Capital Markets  
  Catherine Bernard, Assistant Director of MF Program Funding  
  Darryl Applegate, Director of Regulatory Affairs  
  Katone Glover, Assistant Director of Servicing  
  Laura Shields, Administrator of Multifamily/Supported Housing and Lending
OTHERS
PRESENT:

George Loeser, Deputy Attorney General, Attorney General’s Office
Kavin Mistry, Deputy Director, Division of Law
Rudy Rodas, Assistant Counsel, Governor’s Authority Unit

MEMBERS
OF THE PUBLIC

* Letter of February 20, 2018 designating Robert Long to represent Lt. Governor Sheila Y. Oliver, Commissioner
** Letter of December 4, 2018 designating Aimee Manocchio Nason to represent Gurbir S. Grewal, Attorney General
*** Letter of January 19, 2018 designating Robert Shaughnessy to represent the Acting State Treasurer, Elizabeth Maher Muoio
**** Letter of January 17, 2020 designating Paulette Sibblies – Flagg to represent Marlene Caride, Commissioner, Department of Banking and Insurance
***** Letter of May 17, 2019, designating Sarah Adelman to represent, Carole Johnson, Commissioner, Department of Human Services
Robert Long, Deputy Commissioner read the following into the minutes:

NOTICE OF PUBLIC MEETING

The New Jersey Housing and Mortgage Finance Agency gave notice of the time, place and date of this meeting by electronic mail, regular mail and hand delivery on October 26, 2020 to the Secretary of State of New Jersey, The Star Ledger, The Times, and the Courier Post, and by posting the notice at the office of the Agency in Trenton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Housing and Mortgage Finance Agency in order to hold a session from which the public is excluded.

ROLL CALL

Item 6a (Approval to Amend the MOU with the State Treasurer on the Small Landlord Emergency Grant Program) has been pulled from today’s agenda.

The Board members were provided a copy of a letter from Jeffrey Feld, Esquire, dated October 27, 2020; a copy of the PILOT and Resolution pertaining to the OAHS Netherwoods Village, LLC project and a letter dated October 13, 2020. Mr. Feld’s submissions were made a part of the record of this meeting.

APPROVAL OF MINUTES

APPROVAL OF THE PUBLIC SESSION MINUTES OF THE SEPTEMBER 17, 2020 TELECONFERENCE MEETING OF THE HMFA BOARD – ITEM 1A.

Robert Shaughnessy moved and Aimee Manocchio Nason seconded 1. Approval of the Public Session Minutes of the September 17, 2020 Teleconference Meeting of the HMFA Board.

Nay – None
Abstained- None

APPROVAL OF THE PUBLIC SESSION MINUTES OF THE SEPTEMBER 25, 2020 SPECIAL TELECONFERENCE MEETING OF THE HMFA BOARD – ITEM 1B.

Aimee Manocchio Nason moved and Stanley Weeks seconded 1. Approval of the Public Session Minutes of the September 25, 2020 Special Teleconference Meeting of the HMFA Board.

Nay – None
Abstained- None
CAPITAL MARKETS

Catherine Bernard, Assistant Director of MF Program Funding, will present this Capital Market item

HMFA #03349 – OAHS NETHERWOODS – APPROVAL OF CONDUIT BOND DOCUMENTS – ITEM 2A

Aimee Manocchio – Nason moved and Robert Shaughnessy seconded 1. Approval of the attached Resolution Authorizing and Directing the Execution, Delivery, Issuance and Sale of the New Jersey Housing and Mortgage Finance Agency’s Multifamily Conduit Revenue Note (OAHS Netherwoods Village), in an aggregate principal amount not to exceed $17,220,000 authorizing the approval of a Funding Loan Agreement, a Project Loan Agreement and related documents in connection with the contemplated issuance and Authorizing Other Matters in Connection Therewith (the “Resolution”).

Nay – None
Abstained- None

HMFA #03492 – GLEN OAKS APARTMENTS – APPROVAL OF CONDUIT BOND DOCUMENTS – ITEM 2B

Paulette Sibblies - Flagg moved and Aimee Manocchio – Nason seconded 1. Approval of the attached Resolution Authorizing and Directing the Execution, Delivery, and Issuance of the New Jersey Housing and Mortgage Finance Agency’s Multifamily Conduit Revenue Note (Glen Oaks Apartments Project), under the Agency’s Multifamily Conduit Bond Program, in a Total Principal Amount Not to Exceed $4,290,000 and Authorizing and Approving the Execution and Delivery of a Forward Lending Agreement, a Funding Loan Agreement, a Project Loan Agreement and Related Documents and Authorizing Other Matters in Connection Therewith (the “Resolution”). 2. Approval of a modification to the conduit mortgage commitment dated August 6, 2020 for the Project providing that N.J.S.A. 55:14K-8a shall not apply as the Agency has determined the Project is necessary to promote the long term development and viability of its neighborhood and spur its revitalization

Nay – None
Abstained- None

HMFA #02593 – MONTGOMERY HEIGHTS – APPROVAL OF AMENDMENTS TO THE CONDUIT NOTE DOCUMENTS – ITEM 2C

Robert Shaughnessy moved and Stanley Weeks seconded 1. Approval of the attached Resolution Authorizing a Modification to the Funding Loan Agreement and Conduit Revenue Note of the New Jersey Housing and Mortgage Finance Agency’s Multifamily Conduit Revenue Note (Montgomery Heights Phase II Project), Series 2017-3 and authorizing other matters in connection therewith (the “Supplemental Resolution”).

Nay – None
Abstained- None
SUPPORTIVE HOUSING

HMFA #03473– MORRISTOWN SUPPORTIVE HOUSING – APPROVAL OF A MORTGAGE FINANCING COMMITMENT -ITEM 3A

Aimee Manocchio-Nason moved and Dorothy Blakeslee seconded 1. Approval of a mortgage commitment for an estimated $500,000 in permanent only financing from the Special Needs Housing Subsidy Loan Program (“SNHSLP”) for a project known as Morristown Supportive Housing, HMFA #03473 (the “Project”), upon the terms and conditions set forth in the RFA.

Nay – None
Abstained- None

MULTI FAMILY –FOUR PERCENT TAX CREDIT-CONDUIT

HMFA #03342A– BALDWIN OAKS – APPROVAL OF A MORTGAGE FINANCING COMMITMENT - ITEM 4A

Sarah Adelman moved and Robert Shaughnessy seconded 1. Approval of a mortgage commitment for an estimated $36,160,000 in construction and permanent financing from the Agency Conduit Bond Program for a project known as Baldwin Oaks, HMFA #03342A (the “Project”), upon the terms and conditions set forth in the RFA.

Nay – None
Abstained- Stanley Weeks

HMFA #03494– AUDUBON TOWERS – APPROVAL OF A DECLARATION OF INTENT -ITEM 4B

Stanley Weeks moved and Dorothy Blakeslee seconded 1. Approval of a “Declaration of Intent” stating the intention of the Agency, subject to the availability of volume cap, to issue tax- exempt bonds in an estimated amount not to exceed $16,200,000 in construction and permanent financing for a project known as Audubon Towers, HMFA #03494 (the “Project”). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the “Original Expenditures”) associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the “Reimbursement Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”).

Nay – None
Abstained- None
HMFA #07680– NEW YORK AVENUE – APPROVAL F A DECLARATION OF INTENT -ITEM 4C

Robert Shaughnessy moved and Dorothy Blakeslee seconded 1. Approval of a “Declaration of Intent” stating the intention of the Agency, subject to the availability of volume cap, to issue tax-exempt bonds in an estimated amount not to exceed $21,660,000 in permanent financing for a project known as New York Avenue Apartments, HMFA #07680 (the “Project”). Approval of this "Declaration of Intent" is intended to establish for tax purposes the eligibility for reimbursement with the proceeds of the Bonds of certain costs paid prior to the issuance of the Bonds (the “Original Expenditures”) associated with pre-bond sale and development work on the Project. By this action, the Board expresses its present intent to issue the Bonds for the Project and its reasonable expectation that it will reimburse Original Expenditures with proceeds of the Bonds, and declares its intent that the Declaration of Intent be determined to be a declaration of official intent under Treas. Reg. Section 1.150-2 (the “Reimbursement Regulations”) promulgated under the Internal Revenue Code of 1986, as amended (the “Code”).

Nay – None
Abstained - None

MULTI FAMILY –NINE PERCENT TAX CREDIT

HMFA #03120 - CENTERTON ROAD FAMILY HOUSING – APPROVAL OF A MODIFICATION TO EXTEND RECOMMITMENT EXPIRATION -ITEM 5A

Paulette Sibblies-Flagg moved and Sarah Adelman seconded 1. Approval of a modification to the mortgage recommitment approved at the September 20, 2018 Agency Board meeting for a project known as Centerton Road Family Housing, HMFA #03120, MFP #7 (the “Project”), upon the terms and conditions set forth in the RFA.

Nay – None
Abstained- None

OTHER BUSINESS

APPROVAL TO AMEND THE MOU WITH THE STATE TREASURER ON THE SMALL LANDLORD EMERGENCY GRANT PROGRAM – ITEM 6A

THIS ITEM HAS BEEN PULLED

MOTION TO ADJOURN

Dorothy Blakeslee moved and Robert Shaughnessy seconded a Motion to Adjourn at 10:32 a.m.

Nay – None
Abstained- None
February 20, 2018

Claudia Lovas, Acting Executive Director
NJ Housing and Mortgage Finance Agency
PO Box 18550
Trenton, New Jersey 08625

Dear Acting Executive Director Lovas:

Please accept this letter as formal notification that Deputy Commissioner Robert Long will represent me at the NJHMFA Board Meetings until further notice.

If you have any questions, please do not hesitate to call my office.

Sincerely,

Lt. Governor Sheila Y. Oliver
Commissioner
December 4, 2018

Sheila Y. Oliver, Lieutenant Governor
Chair
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
P.O. Box 18550
Trenton, New Jersey 08650-2085

Dear Lieutenant Governor Oliver:

I am writing to appoint my designee to serve on the board of the New Jersey Housing and Mortgage Finance Agency (the "Agency").

I hereby appoint Susan K. Fischer, Assistant Attorney General as my designee to serve on the board of the Agency. AAG Fischer is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf. In the event of AAG Fischer’s absence, Aimee Manocchio Nason, Deputy Attorney General is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf. In the event of the absence of AAG Fischer and DAG Manocchio Nason, Kavvin K. Mistry, Assistant Attorney General & Deputy Director, Division of Law is authorized to represent me in my absence at the meetings of the Agency, to vote in my stead, and to otherwise act on my behalf.

Sincerely,

Gurbir S. Grewal
Attorney General

C: Michelle L. Miller, Director, Division of Law
Elissa Westbrook Smith, Chief of Staff, Division of Law
Kavvin K. Mistry, Deputy Director, Division of Law
Susan K. Fischer, Assistant Attorney General
Aimee Manocchio Nason, Deputy Attorney General
Jonathan Garelick, Deputy Chief of Staff, Office of the Attorney General
Charles Richman, Executive Director, NJHMFA
January 19, 2018

Claudia Lovas, Acting Executive Director
NJ Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650

Dear Acting Executive Director Lovas:

I hereby designate Robert Shaughnessy, Department of Treasury to act as my permanent designee at all the meetings of the New Jersey Housing and Mortgage Finance Agency.

Sincerely,

Elizabeth Maher Muoio
Acting State Treasurer
May 17, 2019

Charles A. Richman
Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650-2085

Dear Mr. Richman,

Please be advised that I have designated Sarah Adelman, Deputy Commissioner, to serve as the New Jersey Department of Human Services' representative for the New Jersey Housing and Mortgage Finance Agency Board. Below is her contact information:

**Sarah Adelman**
Deputy Commissioner
NJ Department of Human Services
PO Box 700
Trenton, NJ 08625-0700
609-292-6090 – office
Sarah.Adelman@dhs.state.nj.us

Elisa Neira, whose contact information you already have, will now serve as a backup.

Please let me know if you have any questions or need further information. Thank you.

Sincerely,

Carole Johnson
Commissioner

C/Jlk

c: Lt. Governor Sheila Y. Oliver
Jill Shortway Ippolito
Steve Shultz
Sarah Adelman
Elisa Neira
Lynn Kotch
January 17, 2020

Charles A Richman, Executive Director
New Jersey Housing and Mortgage Finance Agency
637 South Clinton Avenue
PO Box 18550
Trenton, NJ 08650

Re:  NJ HMFA Board Meeting Designee

Dear Mr. Richman:

My designee for the New Jersey Housing Mortgage and Finance Agency Board meetings is Paulette Sibblies-Flagg of the Division of Banking.

Ms. Sibblies-Flagg can be reached at paulette.sibblies-flagg@dobi.nj.gov, telephone (609) 940-7347.

Very truly yours,

Marlene Caride  
Commissioner

cc:  Justin Zimmerman, Chief of Staff  
Richard Mumford, Director of Banking  
Paulette Sibblies-Flagg, Division of Banking
October 13, 2020

Hon. Marie Simonelli, J.A.D. (Retired)
Superior Court, Appellate Division
LeRoy F. Smith Jr. Safety Bldg.
60 Nelson Place, Suite 10th Floor
Newark, New Jersey 07102

RE: In re Approval of a Financing Commitment for the Project Known as Norman Towers, HMFA #03451, A-4583-19 ("NJHMFA I")

Appellate Pre-Argument Settlement Virtual Conference: October 27, 2020 at 10:30 am

Dear Judge Simonelli:

This direct administrative appeal involves a repetitive issue of substantive public importance: whether our State legislature intended the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 to -22 ("LTTEL"), to repeal and to replace the N.J.S.A. 55:14K-37 NJHMFA long term tax exemption, effective April 17, 1992.


Consequently, this direct administrative appeal involves ascertaining legislative intent and the meaning of the N.J.S.A. 40A:20-2 phrase “necessary to revise, consolidate and clarify the law in this area in order to preserve and improve the usefulness of the law in promoting the original public purpose.” (emphasis supplied).

In addition, this direct administrative appeal involves the interplay of three distinct State constitutional real property taxation provisions upon discretionary long term tax exemptions. Article VIII, Section I, para 1 ("Uniformity Clause"); Article IV, Section VII, para 9(6) (prohibiting special laws on taxation) and Article VIII, Section III, para 1 ("Blighted Area Clause").

This direct administrative appeal also involves two preliminary procedural due process issues: whether a stakeholder has the constitutional, statutory and common law right to be heard
prior to the administrative agency considering and voting on a listed discretionary agenda funding item and whether in a quasi-judicial administrative reconsideration hearing before a board (and not an administrative law judge) a stakeholder is entitled to reasonable notice and an opportunity to rebut the State’s closed executive session presentation to the quasi-judicial administrative board.

This direct administrative appeal arises from a NJHMFA final agency decision dated July 20, 2020 finding “no merit” to appellant’s factual and legal statutory interpretation contentions.

STATEMENT OF FACTS AND PROCEDURAL HISTORY

The Parties

Appellant

Appellant Attorney Jeffrey S. Feld (“Feld”) resides and owns real property in Short Hills, Essex County, New Jersey. For more than twenty-five years until June 30, 2020, Feld was employed in three family owned businesses located in the City of Orange Township, Essex County, New Jersey.

Feld is a local gadfly and officer of the court committed to increasing local transparency, accountability and adherence to the rule of law in financially distressed “rogue” urban municipalities.

Feld is no stranger to the Appellate Division. Feld is no stranger to the NJHMFA. For more than ten years, Feld has questioned whether LTTEL governs all post April 17, 1992 long term tax exemption transactions in our State. Feld caused the City of Newark, City of East Orange and City of Orange Township to admit their failure to remit long term tax exemption revenues to Essex County.

Respondent

Respondent New Jersey Housing and Mortgage Finance Agency (“NJHMFA”) is a State Executive Branch Agency located under the supervisory umbrella of our Department of Community Affairs (“DCA”). The NJHMFA is responsible for creating, preserving, monitoring and financing low and moderate affordable housing in the State.

The NJHMFA Board consists of the DCA Commissioner (Chairperson), the State Attorney General, the State Treasurer, the Department of Banking & Insurance Commissioner, the Department of Human Services Commissioner and three public members.

Action by the NJHMFA Board is subject to the approval of our Governor.

In March 2010, the NJHMFA disclosed to Feld (via the Open Public Records Act) its receipt of a federal subpoena in February 2019, prior to the commencement of Newark II (ESX-L-2617-19).
The Instant NJHMFA Long Term Tax Exemption Dispute

On May 20, 2020, Feld advised the NJHMFA of his intention to participate at the NJHMFA May 21, 2020 virtual public hearing. As his custom, Feld provided the NJHMFA with a written “heads up” roadmap questioning the validity of the underlying Norman Towers NJHMFA acquisition and renovation long term tax exemption granted by the City of East Orange (Essex County) to a L & M non-urban renewal related entity without the benefit of a supporting net benefits fiscal impact study under State law.

On May 21, 2020, the NJHMFA considered and approved the listed Norman Towers $76,975,000 permanent-only mortgage financing commitment application without providing Feld an opportunity to be heard. During the new business portion of the virtual public meeting, Charles Richman—the NJHMFA Executive Director (and former DCA Commissioner)—acknowledged receipt of Feld’s submission. The NJHMFA Executive Director discounted the submission. The NJHMFA Executive Director asserted that no court had ruled in Feld’s favor on the NJHMFA repealed and replaced long term tax exemption issue.

Feld immediately corrected the public record. Feld questioned the suppression of virtual civic participation and our robust marketplace of competing ideas. Feld explained the difference between a preclusive dismissal on the merits and a preliminary lack of standing/mootness jurisdiction dismissal without prejudice.

The July 1, 2020 Reconsideration Hearing


On June 19, 2020, Feld submitted supplemental materials to the NJHMFA and the Norman Towers L & M related non-urban renewal entity housing sponsor. Neither the Norman Towers L & M related non-urban renewal entity housing sponsor nor the NJHMFA supplied responsive or opposition materials to Feld.

On June 23, 2020, Feld copied the NJHMFA on his letter to the City of Newark questioning the validity of granting a post April 17, 1992 NJHMFA long term tax exemption to an urban renewal entity in violation of its State approved formation documentation.

On June 29, 2020 and June 30, 2020, Feld-an officer of the court—advised the NJHMFA of certain post June 19, 2020 intervening facts and case law.

On July 1, 2020, the NJHMFA commenced its special virtual reconsideration hearing approximately 30 minutes late. The NJHMFA provided Feld an opportunity to summarize his
argument and to update the NJMHFA with additional intervening facts and State Supreme Court case law. In particular, Feld advised the NJMHFA of Gourmet Dining LLC v. Union Township, __N.J. __(June 30, 2020) - an opinion issued the day before by Justice LaVecchia concurring with Feld’s constitutional and statutory real property tax exemption analysis.

[W]e also adhere to the longstanding principle that tax exemption statutes in favor of nongovernmental actors are subject to strict construction. . . . . And, that it is the burden of the party seeking the exemption to prove the bases for it are established. . . . . Public policy calls for the public tax burden “to be borne fairly and equitably.” (citations omitted) (slip op at p. 20).

At the conclusion of Feld’s brief oral presentation, the NJHMFA went into a closed executive session. Deputy Director Division of Law Kavin Mistry addressed the NJHMFA and presented a Final Agency Decision to the NJHMFA for consideration.

When the NJHMFA reconvened, NJHMFA Senior Research Analyst II James Peasco (and not Deputy Director Mistry) addressed the NJHMFA. NJHMFA Senior Research Analyst II Peasco conclusively asserted: “We find that there has been no repeal of section 37 of the Agency Law, either expressly or impliedly. Accordingly, we hereby affirm our prior approval of the mortgage financing commitment for the Norman Towers project.” (Tr. p 6, In 22-p. 7, ln2) (emphasis supplied).

On July 1, 2020, NJHMFA public member Stanley Weeks was absent. Stanley Weeks was a PNC Bank employee. PNC Bank had funded the contested Feld XV Oakwood Towers NJHMFA financed transaction. PNC Bank was the Feld family’s prior commercial lender.

The July 20, 2020 Final Agency Decision

On July 20, 2020 and after the lapse of our Governor’s 10 business days disapproval estoppel period, the NJHMFA delivered a fifteen pages per curiam expansive final agency decision to Feld.

The agency decision misapplied basic rules of statutory construction. Rather than beginning its LTTEL analysis with the legislative text, the decision began with LTTEL legislative history. The agency decision failed to restate and to apply basic rules of statutory construction. See, Lomax-Marquez, 590 U.S. ___ (June 8, 2020) (Justice Kagan restating the judicial duty to call balls and strikes and the “case begins, and pretty much ends, with the text of the statute.”); State v. J.V., __N.J. __ (June 11, 2020) (Justice Timpone finding plain and unambiguous language of statute supported prospective application); Bostock v. Clayton, 590 U.S. ___ (June 15, 2020) (Justice Gorsuch writing for a 6-3 majority: “When the express terms of a statute gives use one answer and extratextual considerations suggest another, it’s no contest. Only the written word is the law, and all persons ar entitled to its benefit.”); Lembo v. Arlene Marchese, __N.J. __ (June 17, 2020) (Justice Albin restating and applying basic rules of statutory construction).
The agency decision did not cite two recent binding and precedential State Supreme Court tax exempt property opinions acknowledging an equal taxation presumption against the exemption. See, Christian Mission John 316 v. Passaic City, __N.J. __ (July 15, 2020); Gourmet Dining LLC v. Union Township, __N.J. __ (June 30, 2020).


The agency decision did not compare the two distinct pre-and post-April 17, 1992 long term tax exemption schemes and the need for all post April 17, 1992 “housing sponsors” to be an “urban renewal entity.” The agency decision failed to address all post April 17, 1992 legislative long term tax exemption amendments and whether our State legislature intended to carve out post April 17, 1992 NJHMFA long term tax exemption transactions from these curative amendments, including enhanced reporting requirements and 5% payments to counties. Cf: P.L. 1991, c. 431; P.L. 2003, c 125; PL 2007, c 268; PL 2015, c. 95; P.L. 2015, c. 247.

The agency decision did not address the interplay of three distinct State constitutional real property taxation provisions upon discretionary long term tax exemptions. Article VIII, Section I, para 1 (“Uniformity Clause”); Article IV, Section VII, para 9(6) (prohibiting special laws on taxation) and Article VIII, Section III, para 1 (“Blighted Area Clause”).

The agency decision did not cite our State Comptroller harsh long term tax exemption report exposing the need for enhanced transparency and monitoring. See, Programmatic Examination of Municipal Tax Abatements (August 18, 2010).

The agency decision did not cite the amended Redevelopment Handbook: A Guide to Rebuilding New Jersey Communities (2nd Ed) issued in early CY 2012.

Using the authority vested in the 1947 Constitution, the legislature enacted four property-tax exemption statutes providing municipalities authority to grant tax exemptions for housing, senior citizen housing, and “urban renewal” projects. Among those was the Urban Renewal Corporation and Association Law of 1961, commonly known as the Fox-Lance Act after its primary legislative sponsors. These laws were consolidated into the current Long Term Tax Exemption Law, P.L. 1991, c. 41 (N.J.S.A. 40A:20-1 et seq). The current statute retains the three constitutionally mandated features of any long term -term tax exemption laws: the project must have a specific public purpose linked to a municipality’s local redevelopment plan or housing objectives; it must be limited to a specific
time period, and the profits of the corporation receiving the exemption must be limited. (at p. 159) (emphasis supplied).

The agency decision did not cite conflicting DCA urban renewal entity rules and regulations supporting Feld’s legal contentions. See, N.J.A.C. 5:13-1.1. (‘‘In the case of a housing sponsor created after April 17, 1992, “act” means the Long Term Tax Exemption Law, P.L. 1991, c. 431’’). The agency decision did not cite the internal shift of urban renewal entity formation oversight jurisdiction to the DCA Office of Local Planning Services, effective November 1, 2018. The agency decision did not cite State promulgated curative long term tax exemption User Friendly Budget and Best Practices disclosure requirements.

The agency decision did not disclose a Township of West New York long term tax exemption ordinance which concurred with Feld’s NJHMFA long term tax exemption repealed and replaced legal analysis.


The agency decision did not address and refute the NJHMFA Executive Directors’ May 21, 2020 defamatory remarks about Feld’s professional character, integrity and competence. Cf: Hartnett v. Pa. State Educ. Assoc., ___F.3d ___ (3d Cir June 25, 2020); Alpha Painting & Constr. Co. v. Delaware River Port Authority, No. 19-2675 (3d. Cir. July 30, 2020). Also see, Commissioner of Internal Revenue v. Brokertec Holdings, ___ F. 3d___ (3d Cir July 28, 2020) (regarding the inclusion in gross income of certain governmental subsidies, such as below-market transfers of municipal real property)

**The Direct Administrative Appeal**

On August 25, 2020, Feld e-filed an “original” notice of direct administrative appeal limited to the July 20, 2020 final agency decision. Feld e-filed two abbreviated hearing transcripts prepared by the NJHMFA (NJHMFA Senior Research Analyst II James Peasco). Due to the failure to cite intervening State Supreme Court tax exemption and contrary legal authority, Feld suggested a pre-briefing appellate settlement conference.

On August 31, 2020, the Clerk issued a Notice of Docketing. Shortly thereafter, the Clerk issued two deficiency notices. Feld e-filed an “amended” notice of appeal including the “original” May 21, 2020 Norman Towers mortgage finance approval resolution and two new word searchable abbreviated hearing transcripts prepared by the NJHMFA.

On September 18, 2020, Feld “perfected” his direct administrative appeal. On September 25, 2020, the Appellate Division advised the parties of its selection to participate in a pre-argument settlement conference and suggested a series of dates.
On September 29, 2020, the Appellate Division noticed an October 27, 2020 at 10:30 am pre-argument settlement virtual conference. Shortly thereafter on September 29, 2020, the NJHMFA e-filed its appellate case information statement. As of the date of this letter, the NJHMFA had not yet e-filed a proposed administrative appellate record.

Respectfully submitted,

/s/Jeffrey S. Feld

Jeffrey S. Feld

cc: Vladmir Palma, Esq.
October 27, 2020

(crichman@njhmfa.gov)
Charles A. Richman, Executive Director
NJHMFA
P.O. Box 18550
Trenton, New Jersey 08650-2085

Re: NJHMFA October 29, 2020 at 10:00 AM Virtual Public Meeting
Agenda Item 2a (Capital Markets)-HMFA 03349-OAHS Netherwoods-
Approval of Conduit Bond Documents

Dear NJHMFA Executive Director Richman:

I respectfully request that this letter be distributed to all NJHMFA Board Members prior to the October 29, 2020 virtual public meeting. In addition, I respectfully request that this letter be acknowledged and read into the official October 29, 2020 public record prior to the NJFMA Board considering and taking official action on OAHS Netherwoods Agenda Item 2a.

I incorporate herein by reference: (i) the OAHS Netherwoods March 2020 City of Plainfield non-urban renewal entity NJHMFA long term tax exemption financial agreement and approval resolution produced to me by the NJHMFA via the Open Public Records Act (“OPRA”) on Friday October 23, 2020 and (ii) my NJHMFA I appellate conference statement dated October 13, 2020,

I reserve my rights to appear and to participate orally during the October 29, 2020 virtual NJHMFA public meeting and to supplement this letter.

“To Delay Justice Is to Deny Justice”

At a bare minimum and based upon the OAHS Netherwoods documents produced to me by the NJHMFA last Friday, the NJHMFA Board must revisit and answer the following repetitive long term tax exemption questions of public importance:

2. Whether constitutional required long term tax exemption land tax credit and profit limitation language must be contained in any non-urban renewal entity NJHMFA long term tax exemption financial agreement approved by the municipality? Town of Secaucus v. City of Jersey City, 20 NJ Tax 384 (Tax Ct 2002).

3. When did the NJHMFA approve the OAHS Netherwoods non-urban renewal entity NJHMFA long term tax exemption financial agreement template?


I am no stranger to the NJHMFA Board. My questions and comments should not be dismissed out-of-hand. The ongoing federal investigation of Orange and Newark shrouds this transaction. By letter dated and emailed October 19, 2020, I alerted the NJHMFA of my sordid history with Plainfield Mayor Adrian Mapp, Plainfield Director of Economic Development Valerie Jackson and Plainfield Special Outside Redevelopment Counsel McManimon Scotland & Baumann. Since July 1, 2012, Mr. Map has also served as the City of Orange Township’s Finance Director. Ms. Jackson served as Orange’s Director of Planning & Economic Development between July 1, 2008 and June 30, 2012. Upon his arrival after the July 2016 F.B.I. raid of Orange’s public library, Orange’s new business administrator Christopher Hartwyk terminated Orange’s relationship with its special outside redevelopment counsel McManimon Scotland & Baumann.

Mr. Hartwyk retained new special outside redevelopment counsel Gluck Walworth. Both the new Orange BA and new special outside redevelopment counsel agreed with my long term tax exemption factual and legal analysis. The same law firm could not simultaneously represent the municipality and redeveloper in the same Walter G. Alexander Phase III long term tax exemption transaction. All discretionary legislative long term tax exemptions must be approved by ordinance and not by resolution. Effective April 17, 1992, the Long Term Tax Exemption Law governed all post April 17, 1992 long term tax exemptions. A written net benefits fiscal impact study must be obtained in connection with the granting of all post April 17, 1992 long term tax exemptions. Upon the refinancing and discharge of an original pre April 17, 1992 NJHMFA long term tax exemption mortgage, the pre April 17, 2020 NJHMFA long term tax exemption lapsed, terminated and expired by its terms.

A trial is the search for the truth. Courts abhor sharp elbow litigation tactics. The NJHMFA Board-fiduciaries of a public trust- may wish to go into closed executive session to discuss efforts to intimidate and to suppress my political free speech on this OAHS Netherwoods Agenda Item.

The NJHMFA Board may also wish to go into closed executive session to discuss my pending litigation with counsel. On October 21, 2020, the NJHMFA belatedly filed a “The
Sovereign can do no wrong” NJHMFA I appellate settlement conference statement. Shortly thereafter, the Appellate Division cancelled the October 27, 2020 appellate settlement conference and issued an NJHMFA I appellate briefing schedule.

NJHMFA I is a peculiar direct administrative appeal. The respondent NJHMFA (and not a court stenographer) controlled the preparation of the two administrative hearing transcripts. The respondent NJHMFA (and not the appellant) initially controlled what documents could be included in the appellant’s appellate appendix. On October 22, 2020, I provided the NJHMFA with an expanded administrative appellate record. But the NJHMFA refuses to amend its October 19, 2020 14 item NJHMFA I administrative appellate record to include public records subject to judicial notice which I must include in my NJHMFA appellate appendix. For example, the NJHMFA refuses to include meeting agendas, meeting minutes, all CY 2020 written communications received from me, all CY 2020 NJHMFA OPRA Responses including its March 2020 disclosure of its receipt of a federal subpoena in February 2019, the June 5, 2020 notice of a July 1, 2020 reconsideration virtual hearing and the redacted July 1, 2020 closed executive session minutes at which Attorney Kavin Mistry addressed the NJHMFA Board. See, Rules 1:1-2, 2:5-4, 2:5-5 and 2:6-1.

Newark II also involves the validity of a post April 17, 1992 L & M related non-urban renewal entity NJHMFA long term tax exemption. Pending appellate adjudication of NJHMFA I, I have requested the trial court to stay, to sever and to direct immediate mediation of certain annual long term tax exemption audit and user friendly budget disclosure issues and long term tax exemption payments to Essex County issues. The NJHMFA opposes my judicial and economy stay and severance suggestion. In addition the NJHMFA has evaded any discussion of plaintiffs’ statutory third party taxpayer long term tax exemption and Open Public Meetings Act standing.

Accordingly, I respectfully request that NJHMFA approval or public funding be subject to: (i) adequate disclosures of my pending NJHMFA I appeal, Newark II and the February 2019 federal subpoena and (iii) public responses to my first three questions contained herein.

Should you require additional information and supporting documentation, please feel free to contact me.

Respectfully yours,

/s/ Jeffrey S. Feld

Jeffrey S. Feld

Enc.

cc: Katherine Brennan, NJHMFA Chief of Staff (kbrennan@njhmfa.gov)
Laura Shea, NJHMFA Chief of Legal & Regulatory Affairs (lshea@njhmfa.gov)
Tanya Hudson-Murray, NJHMFA Director of Multi-Family Programs and Lending (thudson-murray@njhmfa.gov)
Daryl Appelgate, NJHMFA Director of Regulatory Affairs (dapplegate@njhmfa.gov)
Anne H. Hamlin, NJHMFA Director of Tax Credits (ahamlin@njhmfa.gov)
Joseph Heath, NJHMFA Director of Capital Markets & Bond Compliance (jheath@njhmfa.gov)
Vladimir Palma, Esq., NJHMFA I/ Newark II DAG (Vladimir. Palma @law.njoag.gov)
George Loesser, Esq., NJHMFA I DAG (george.loesser @ law.njoag.gov)
Kavin Mistry, Esq., NJHMFA I DAG (kavin.mistry @law.njoag.gov)
Aimee Manocchio-Nason, Esq., NJHMFA I DAG (aimee.manocchio-nasson @law.njoag.gov)
AGREEMENT FOR PAYMENT IN LIEU OF TAXES

THIS AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (this "Agreement") is, made this ___ day of __ March ____, 2020, between **OAH'S NETHERWOODS VILLAGE, LLC** a New Jersey limited liability company, having its principal office at 980 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 (hereinafter the "Sponsor"), and the **CITY OF PLAINFIELD**, a municipal corporation in the County of Union, State of New Jersey, with its offices at 515 Watchung Avenue, Plainfield, New Jersey 07060 (hereinafter the "Municipality").

**WITNESSETH**

In consideration of the mutual covenants herein contained and for other good and valuable consideration, it is mutually covenanted and agreed as follows:

1. This Agreement is made pursuant to the authority contained in Section 37 of the New Jersey Housing and Mortgage Finance Agency Law of 1983 (N.J.S.A.55:14K 1 et seq.) (hereinafter "HMFA Law") and a Resolution of the Committee of the Municipality (the "Resolution") and with the approval of the New Jersey Housing and Mortgage Finance Agency (hereinafter the "Agency"), as required by N.J.S.A. 55:14K-37.

2. The Project is or will be situated on a parcel of land known as Block 329, Lot 18 as shown on the Official Tax Map of the City of Plainfield and more commonly referred to as 825-855 East Front Street, Plainfield, New Jersey.

3. As of the date the Sponsor executes a first mortgage upon the Project approved by the Agency (hereinafter referred to as the "Agency Mortgage"), the land and improvements comprising the Project shall be exempt from real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Project from real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall not extend beyond the date on which the Agency Mortgage is paid in full, which according to the HMFA Law, may not exceed thirty (30) years.

4. (a) The Sponsor shall make payment to the Municipality of an annual service charge in lieu of taxes in the amount of $200,000 commencing upon Sponsor's execution of the Agency Mortgage and increasing by the amount of 3% of the preceding year's annual service charge annually thereafter.

   (b) The Sponsor shall make a one-time payment to the Municipality in the amount of $500,000 upon Sponsor's execution of the Agency Mortgage.

   (c) For the purposes of construction of this Agreement, project revenues means the total annual gross rental or carrying charge or other income of the Sponsor from the Project.

5. (a) Payments by the Sponsor shall be made on a quarterly basis in accordance with bills issued by the Tax Collector of the Municipality in the same manner and on the same dates as real estate taxes are paid to the Municipality.
(b) All payments pursuant to this Agreement shall be in lieu of taxes and the Municipality shall have all the rights and remedies of tax enforcement granted to the Municipalities by law just as if said payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes the total amount of the annual payment in lieu of taxes due it, based upon the Audit, it may apply to the Union County Superior Court, Chancery Division for an accounting of the service charge due the Municipality, in accordance with this Agreement and HMFA Law. Any such action must be commenced within one year of the receipt of the Audit by the Municipality.

(c) In the event of any delinquency in the aforesaid payments, the Municipality shall give notice to the Sponsor and NJHMFA in the manner set forth in 9 (a) below, prior to any legal action being taken.

6. The tax exemption provided herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the HMFA Law and Regulations made thereunder and the supervision of the Agency, but in no event longer than the original intended term of the Agency Mortgage. In the event of (a) a sale, transfer or conveyance of the Project by the Sponsor or (b) a change in the organizational structure of the Sponsor, this Agreement shall be assigned to the Sponsor’s successor and shall continue in full force and effect so long as the successor entity qualifies under the HMFA Law or any other state law applicable at the time of the assignment of this Agreement and assumes the Agency Mortgage. This Agreement may be assigned without additional approval of the Municipality.

7. Upon any termination of such tax exemption, whether by affirmative action of the Sponsor, its successors and assigns, or by virtue of the provisions of the HMFA Law, or any other applicable state law, the Project shall be taxed as omitted property in accordance with the law.

8. The Sponsor, its successors and assigns shall, upon request, permit inspection of property, equipment, buildings and other facilities of the Project and also documents and papers by representatives duly authorized by the Municipality. Any such inspection, examination or audit shall be made during reasonable hours of the business day in the presence of an officer or agent of the Sponsor or its successors and assigns.

9. Any notice or communication sent by either party to the other hereunder shall be sent by certified mail, return receipt requested, addressed as follows:

(a) When sent by the Municipality to the Sponsor, it shall be addressed to OAHS Netherwoods Village, LLC., 980 Sylvan Avenue, Englewood Cliffs, New Jersey 07632 or to such other address as the Sponsor may hereafter designate in writing; and a copy of said notice or communication by the Municipality to the Sponsor shall be sent by the Municipality to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.
(b) When sent by the Sponsor to the Municipality, it shall be addressed to: the City of Plainfield, 515 Watchung Avenue, Room 206, Plainfield, New Jersey 07060, Attention: Valerie Jackson, Director of Economic Development, with a copy to McManimon, Scotland and Baumann, 75 Livingston Avenue, Roseland, New Jersey 07068, Attention: Jennifer Credidlo, Esq., or to such other address as the Municipality may designate in writing; and a copy of said notice or communication by the Sponsor to the Municipality shall be sent by the Sponsor to the New Jersey Housing and Mortgage Finance Agency, 637 South Clinton Avenue, PO Box 18550, Trenton, New Jersey 08650-2085.

10. In the event of a breach of this Agreement by either of the parties hereto or a dispute arising between the parties in reference to the terms and provisions as set forth herein, either party may apply to the Union County Superior Court, Chancery Division, to settle and resolve said dispute in such fashion as will tend to accomplish the purposes of the HMFA Law.

11. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement. It shall not be necessary in making proof of this Agreement to produce or account for more than a sufficient number of counterparts to evidence the execution of this Agreement by each party hereto.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year set forth above.

ATTEST:  

SPONSOR:  

ATTEST:  

MUNICIPALITY:

Abubakar Jalloh, City Clerk  
Adrian O. Mapp, Mayor

PAGE 3
RESOLUTION AUTHORIZING THE EXECUTION OF AN AGREEMENT FOR
PAYMENT IN LIEU OF TAXES PURSUANT TO N.J.S.A. 55:14K-1 ET SEQ.,
GRANTING AN HMFA TAX ABATEMENT AND DECLARATION OF NEED TO OAHS
NETHERWOODS VILLAGE, LLC TO REHABILITATE 825-855 EAST FRONT
STREET, PLAINFIELD, NEW JERSEY

WHEREAS, OAHS Netherwoods Village, L.L.C. (hereinafter referred to as the
"Sponsor") proposes to acquire and rehabilitate a 108 unit affordable housing project
(hereinafter referred to as the "Project") pursuant to the provisions of the New Jersey
seq. (the "HMFA Law"), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and
all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively
referred to as the "HMFA Requirements") within the City of Plainfield (hereinafter referred
to as the "City") on a site described as Lot 18, Block 329 as shown on the Official
Assessment Map of the City Plainfield, Union County and commonly known as
Netherwoods Village, 825-855 East Front Street, Plainfield, New Jersey; and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and
other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage
Finance Agency (hereinafter referred to as the "Agency"); and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and
other loan documents executed between the Sponsor and the Agency; and

WHEREAS, pursuant to the HMFA Requirements, the governing body of the City (the
"City Council") hereby determines that there is a need for this housing project in the City; and

WHEREAS, the housing shall be one hundred percent affordable and shall be deed
restricted as such for thirty (30) years; and

WHEREAS, the HMFA Law permits the governing body of a municipality in which
a housing project financed by the HMFA is located to exempt such housing project from
real property taxation if the housing project's sponsor enters into an agreement (a "PILOT
Agreement") with the municipality for payments to the municipality in lieu of taxes for
municipal services; and

WHEREAS, the City Council finds that entering into a PILOT Agreement with the
Sponsor is necessary to assure implementation of the Project and the rehabilitation of the
affordable rental housing, and have negotiated a PILOT Agreement with the Sponsor
consistent with HMFA Requirements; and

WHEREAS, the City Council deems it appropriate to authorize and enter into a
PILOT Agreement with the Sponsor (in substantially the form attached hereto as Exhibit A;
and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Plainfield,
New Jersey as follows:

(1) The foregoing recitals are incorporated herein as if fully set forth at length.

(2) The City Council finds and determines that the proposed Project will meet or meets an
existing housing need;

(3) The City Council does hereby adopt the within Resolution and makes the
determination and findings herein contained by virtue of, pursuant to, and in the conformity
with the provisions of the HMFA Requirements with the intent and purpose that the Agency
shall rely thereon in approving a mortgage loan to the Sponsor, which shall construct, own
and operate the Project; and

(4) The City Council does hereby adopt the within Resolution with the further intent and
purpose that from the date of execution of the Agency mortgage, the proposed Project,
including both the land and improvements thereon, will be exempt from real property
taxation as provided in the HMFA Requirements, provided that payments in lieu of taxes for
municipal services supplied to the Project are made to the municipality in such amounts and
manner set forth in the PILOT Agreement attached hereto as Exhibit "A", under no event
shall such exemption be longer than 30 years; and
(5) The City Council hereby authorizes and directs the Mayor of the City of Plainfield to execute, on behalf of the municipality, the PILOT Agreement in substantially the form annexed hereto as Exhibit "A"; and

ADOPTED BY THE MUNICIPAL COUNCIL

March 09, 2020

Abubakar Jeligh, R.M.C.
Municipal Clerk