



**BOROUGH OF WOODCLIFF LAKE
MAYOR AND COUNCIL SPECIAL MEETING MINUTES
JUNE 10, 2019
7:30 PM**

CALL TO ORDER

Notice of this meeting, in accordance with the "Open Public Meetings Law, 1975, C. "231", has been posted at the Borough Hall and two newspapers, The Record and The Ridgewood News, have been notified.

ROLL CALL

Council President Gadaleta asked for roll call. Council members Belgiovine, Gadaleta, Hayes, and Spelling were present. Special Counsel for COAH Gerald Salerno was present, as well as Borough Administrator Tomas Padilla, Borough Clerk Debbie Dakin and Borough Planner Richard Preiss. Councilman Singleton arrived at 7:45 PM and Mayor Rendo arrived at 8:20 PM. Councilwoman Gross was absent.

PLEDGE OF ALLEGIANCE

All present recited the Pledge of Allegiance led by Alex Couto.

Council President Gadaleta stated that by seeing how many residents we have here tonight, this confirms the decision that we made a few weeks ago to have this meeting at the Tice Center and open it up to the public. We are committed to be open and transparent and not be behind closed doors unless we are required to do so.

Mr. Salerno stated that the Governing Body solicited Expressions of Interest containing proposals for the development of a 100% affordable housing complex on three municipally-owned properties located at 230 Broadway and 15 Highview Avenue, and identified as Block 2602, Lots 1, 2 and 9.

Mr. Preiss stated that the REOI packages were available beginning on February 15, 2019. There was a briefing on March 15, 2019 and 10 interested parties attended. The REOI submission deadline was April 19, 2019. There were 3 submittals.

Mr. Salerno stated that we would be hearing the three presentations this evening. Mayor and Council may comment and ask questions; however, the public is not permitted to ask the developers questions. There will be time for public comment just like we do at all Mayor and Council meeting.

Presenter #1 – The Alpert Group

Present from The Alpert Group was Joseph Alpert, President. The Alpert Group is partnering with the Housing Development Corporation of Bergen County for this project. The Alpert Group and the Housing Development

Corporation of Bergen County will be a 50/50 co-developers. The Housing Development Corporation of Bergen County is an instrumentality of the Housing Authority of Bergen County. The Alpert Group presented 2 scenarios.

Scenario A

A 16 unit 100% affordable, family housing development with 3 one-bedroom units, 9 two-bedroom units and 4 three-bedroom units.

Assuming a total development cost of \$250,000 per unit (which is typical for affordable housing projects), the total development cost is estimated to be \$4 million.

The breakdown of the proposed development budget is:

Development Cost	Amount
Acquisition	\$ 0
Construction	\$2,800,000
Soft Costs	\$1,200,000
Total	\$4,000,000

The Alpert Group and HDC anticipate utilizing the following funding sources to complete the project:

Funding Source	Amount
Permanent Mortgage (private lender of NJHMFA)	\$1,600,000
Bergen County HOME Funds	\$ 800,000
NJHMFA Subsidy Program	\$ 500,000
Federal Home Loan Bank AHP Subsidy	\$ 900,000
Deferred Developer Fee	\$ 200,000
Total	\$4,000,000

If additional gap funding is needed to make the project feasible, the Developers may request the Borough assistance through its municipal Affordable Housing Trust Fund.

Additionally, there is a potential for the Housing Authority of Bergen County to commit project-based Section 8 rental vouchers for 100% of the units in the project. This will make the project affordable for households with a wide range of incomes and will also increase the project's mortgage funding available to this project.

Scenario B

A 40 unit 100%, family-housing development with 7 one-bedroom units, 23 two-bedroom units and 10 three-bedroom units.

Assuming a total development cost of \$250,000 per unit (which is typical for affordable housing projects), the Total Development Cost is estimated to be \$10 million.

The proposed breakdown of the development budget is:

Development Cost	Amount
Acquisition	\$ 0
Construction	\$ 7,000,000
Soft Costs	\$ 3,000,000
Total	\$10,000,000

The Alpert Group and HDC anticipate utilizing the following funding sources to complete the project:

Funding Source	Amount
Permanent Mortgage (private lender of NJHMFA)	\$ 3,000,000
Low Income Housing Tax Credit Equity	\$ 6,500,000
Deferred Developer Fee	\$ 500,000
Total	\$10,000,000

If additional gap funding is needed to make the project feasible, the Developers may request the Borough assistance through its municipal Affordable Housing Trust Fund.

There is a potential for the Housing Authority of Bergen County to commit project-based Section 8 rental vouchers for 25% -50% of the units in the project. This will make the project affordable for households with a wide range of incomes and will also increase the project's mortgage funding available to this project.

The project will be designed as a family project with on-site parking. There will be a mix of one, two, and three-bedroom units to accommodate different household sizes. All units will include well-proportioned rooms and functional contemporary layouts. Some key features of unit layout include:

- Kitchen with breakfast bar between kitchen and living room
- Carpet or vinyl wood in living room and bedrooms; vinyl sheet in kitchen and bathrooms
- Spacious interior closets and kitchen cabinets
- "Energy Star" kitchen appliances, including an electric stove, refrigerator, dishwasher and microwave
- Washer and dryer
- Individual HVAC system
- Video surveillance system
- Cable and internet ready

Mr. Preiss asked the Alpert Group to go over the timing and phasing plan.

- Borough designates the Alpert Group in July 2019
- Completion of due diligence in September 2019
- Applications for municipal approvals submitted to Borough in September 2019
- Applications for financing submitted in November 2019
- Funding approvals and closing on project financing in June 2020
- Construction to commence in July 2020

- Construction completion and certificate of occupancy in July 2021

Councilman Spelling asked about parking. Mr. Alpert stated that there is plenty of room for parking. You can park up to 40 cars.

Nouvelle, LLC

Mr. Luciano Bruni, Managing Principal, was present as well as Frank D'Antonio, Project Manager/ Grant Coordinator.

Mr. Bruni stated that since the site is broken up into 3 lots, they propose to develop and build two (2) 11-unit buildings and one (1) 4-bedroom community residence. This would provide for 26 units of straight affordable housing units which exceeds the 16 units based on the housing element plan included in the RFEI. They will exceed the number of 1- and 2-bedroom units but keep the number of 3 bedroom as per the housing element plan by Phillips Preiss. The community residence will provide additional very low-income units on top of the housing element plan since they will be designated for special needs residence 30% or less AMI.

Both 11-unit buildings will be located on Lots 1 and 2. Lot 2 will have parking along North Broadway for 13 cars. Lot 1 will have 11 units and a commercial space on the ground floor with parking along North Broadway. The ground floor building walls will act as retaining walls for the slopes. The rear of the building will service the affordable units and there will be a driveway on the side of the building going to the rear of the building and parking to be in a flat area behind the building for the affordable units. The community residence will be located on Lot 9 and will require retaining walls to create a flat area since the building will be one story and fully accessible.

Since the sites have some environmental issues, they propose to use the existing driveway cuts and driveway pavement for Lot 1 to avoid any GP permits from the DEP since they will be considered existing impervious coverage.

All funding will be obtained from multiple sources from private banks to federal programs. Each program will have different regulations and time frames for funding awards. They will obtain funding from the following:

- Private Bank
- Federal Home Loan Bank of NY (FHLB NY)
- New Jersey Housing and Mortgage Finance Agency (NJHMFA)
- Bergen County Home (BCH)
- New Jersey Dept of Consumer Affairs Community Development (NJDCDA)
- Division of Developmental Disabilities (DDD)

Council President Gadaleta asked if the Town is obligated to give any money into this project. Mr. D'Antonio stated that they are not asking any money from the town.

Councilman Belgiovine asked if they could design it to look like a large family home? Mr. Luciani replied no, that 11 units would not fit.

Mr. Preiss asked Mr. Luciani to give a couple of examples of projects that they have worked on in the past. Mr.

Luciani replied Advanced Housing in Sparta, CPNJ in Wayne, Hamlet at Towne Center in Sparta, Lenox Avenue Housing in New Milford and Hudson Lights in Fort Lee.

Council President Gadaleta asked if they could accommodate more parking if required. Mr. Luciani replied yes.

Greater Bergen Community Action

Representing the Greater Bergen Community Action was Robert Halsch, President and CEO, John Molinelli, Esq., Principal at Price, Meese, Schulman & D’Arminio and Gus Morpurgo, President of Morpurgo Architects.

Mr. Molinelli stated that this is an outstanding site in Bergen County and they want to take full advantage of the site.

Mr. Morpurgo stated that they plan on maximizing the grant funding. They plan to build the units that would be sold first and use that money to build the affordable rental units.

Concept #1

Affordable Housing:

- 16 affordable rental units
- 3 one-bedroom units
- 9 two-bedroom units
- 4 three-bedroom units
- 1 garage per unit

Market Rate Housing:

- 8 total sale units
- 1 two-story building
- 6 two-bedroom units
- 2 three-bedroom units
- parking and garages at lower level

Concept #2

Affordable Housing:

- 16 affordable rental units
- 3 one-bedroom units
- 9 two-bedroom units
- 4 three-bedroom units
- 4 units per building

Market Rate Housing:

- 9 total sale units
- 1 two-story building
- 4 two-bedroom units
- 5 three-bedroom units
- Units located in 4 buildings

Project Financing

Summary of Projects:

Affordable Rentals	16
Market Sales Units	8

Sources:

Description	Affordable Rentals	Market Sales Units	TOTAL
HUD (CDBG)	100,000		100,000
HUD-HOME	500,000		500,000
WCL Affordable Housing Trust Fund	400,000		400,000

Equity (Net Proceeds from Sale Market)	1,479,660	4,940,340	6,420,000
Low-Income Housing Tax Credit			
Federal Home Loan Bank	445,000		445,000
Long-Term Financing	941,146		941,116
TOTAL SOURCES	3,856,806	4,940,340	8,806,146

Uses:	Description			
	Land (Provided by Borough)	1	1	1
	Total Approval Costs	25,000	12,500	37,500
	Total Hard Costs	2,135,300	3,974,670	7,109,970
	Total Soft Costs	665,953	729,145	1,395,098
	Total Financing Costs	39,553	224,025	263,578
	TOTAL USES	3,865,807	4,940,340	8,806,146

The timeline for this project is as follows:

GBCA completes diligence necessary on proposed development project site	Aug 1– Oct 1, 2019
Redeveloper’s Agreement	August 1, 2019
Market rate approvals/financing secured	January 1, 2020
Bids are awarded and construction of the 8 market rate units	March 1, 2020
Market rate sales complete	April 1, 2021
Construction on 16 affordable housing units	May 1, 2021
Affordable housing construction complete/leasing begins	July 1, 2022

Mayor Rendo asked if the neighbors will have direct view to the reservoir. Mr. Morpurgo replied it is premature to answer that because they haven’t taken cross sections yet.

Councilwoman Hayes asked about the height of the development and the view from above. Mr. Halsch replied that they didn’t shoot the ridge line and topo’s and elevations were not done so it is hard to tell. Mr. Molinelli stated that there are only 3-4 properties adjacent to the buildings. Mr. Morpurgo stated that there was no topo provided in the Expressions of Interest, so it is impossible to know what the height would be.

Councilwoman Hayes stated that the developer is shooting to sell the new units at \$800,000 and asked if that amount is high. Mr. Molinelli replied that they took the site into account because of the location and the reservoir.

Councilman Belgiovine asked if the market rate units were going to be subsidized. Mr. Molinelli stated that there is 90% funding.

Mr. Salerno stated that the developer said that they need to sell the units to use the money from that to build the affordable units. Mr. Salerno stated that the Borough has time constraints and that there are mandates that the construction get going. Mr. Salerno asked if they can build simultaneously and bond the entire amount of affordables.

PUBLIC COMMENT

MOTION to open to the public was made by Council President Gadaleta, second by Councilwoman Belgiovine and unanimously approved.

Assemblywoman Holly Schepisi applauded the Mayor and Council for having these discussions open to the public. Assemblywoman Schepisi stated that she believes we should do 100% affordable units at that site.

Cheryl Dispoto, Woodcliff Lake, stated that she believes the realistic development for Woodcliff Lake would be to build the minimum number of units. Ms. Dispoto stated that New Jersey is overdeveloped, and she urges the Mayor and Council build no more than 16 units. Ms. Dispoto stated that she believes The Alpert Group seems to be able to deliver on the 16 units and that special needs is a plus.

Jim Burd, Citizens Improving Affordable Housing gave out a brochure. Mr. Burd suggested that the Mayor and Council look at this closely.

Craig Padover, Woodcliff Lake, thanked the Mayor and Council for putting this together. Mr. Padover stated that he was on the Affordable Housing Mediation Committee and they met and discussed these issues. Mr. Padover stated that Borough should choose the development that least negatively impacts the community. Mr. Padover stated that he thinks that it is a risk to have to build and sell units to build the affordable ones.

Alex Couto, Woodcliff Lake, commended the Mayor and Council for having this as a public meeting. Mr. Couto believes we should have the minimum number of units.

Ulises Cabrera, Woodcliff Lake, thanked the Mayor and Council for being open and transparent. Mr. Cabrera stated that option 2 was his least favorite. Option 1 was his favorite and it fulfills the Borough's requirements and the Borough needs to keep the population in check.

Cynthia Berkstein, Woodcliff Lake, stated that she believes the Borough should build the minimum amount and that Option #1 made the most sense. Ms. Berkstein has concerns with the view from above being disturbed.

Fran Hury, Woodcliff Lake, stated that the Borough should do the least amount of disturbance.

Hasmig Yetemian, Woodcliff Lake, stated that we should keep it to a minimum.

Craig Marson, Woodcliff Lake, stated that Option #1 was crisp and clear.

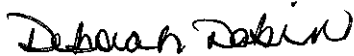
Josephine Higgins, Woodcliff Lake, thanked the Committee for doing a great job. Ms. Higgins believes that the right thing to do is to go with just 16 units.

MOTION to close to the public was made by Councilman Belgiovine, second by Councilman Spelling and unanimously approved.

ADJOURNMENT

MOTION to adjourn was made by Councilman Belgiovine, second by Councilman Spelling and unanimously approved by voice call vote. Meeting was adjourned at 10:45 PM.

Respectfully submitted,

A handwritten signature in cursive script that reads "Deborah Dakin".

Deborah Dakin, RMC, CMR
Borough Clerk