

**Borough of Clementon**

**Planning/Zoning Board**

**March 9, 2017 Meeting Minutes**

The March 9, 2017, meeting of the Clementon Planning/Zoning Board was called to Order by Chairman Feldman. It was announced that the meeting has been properly advertised and posted Pursuant to N.J.S.A. 10:4-6, The Open Public Meetings Act. The meeting was then opened with a salute to the flag and called to order by Vice Chairman Kunkel.

Roll Call: V.C. Kunkel, Secretary McKelvey, Member Lofland, Member Kuns, Member Saunders, Member Naurath, Solicitor Rhodes, Bill Fleming, Churchill Engineering were all present.

Absent: Chairman Feldman, Mayor Weaver, Member Armbruster

V.C. Kunkel: Requested a motion to approve the January, 2017 minutes.

Secretary McKelvey made first motion.

Member Saunders made second motion.

V.C. Kunkel: All in favor?

AYE was response.

V.C. Kunkel: GIS Painters are they present? I guess not. Mercantile applications for Hasner & Hasner, PA

David Hasner from Hasner and Hasner: I am applying for a mercantile license. I am an attorney and it was brought to my attention that I needed to apply for a mercantile license. We are located at the 112 West Atlantic Ave 2<sup>nd</sup> floor. We have on staff member that comes in at 7am. It is typically 7am to 5pm Monday through Friday. We have 5 people in our staff. There is a sign to identify the building. No plans right now to put up a sign. There is a dumpster out back we utilize for recycling and trash. There is a lot of parking. There are floodlights on the building. I don't really have clients after 4. But the floodlights do automatically come on.

Member Kuns: You might want to change your hours to include Saturday and Sunday, just in case you want to do it. It is not going to impact us here.

V.C. Kunkel: It is days of operation and hours of operation. So if you are going to conduct business on Saturday, it is not part of your hours.

David Hasner: I will take that recommendation. I am not harmed if I don't right?

V.C. Kunkel: No. You do know the board doesn't grant the mercantile license we just make a suggestion and pass it onto Council for approval.

David Hasner: Sure.

V.C. Kunkel: May I have a motion to accept this application?

Member Lofland made first motion. Member Kuns made second motion.

Roll Call: V.C. Kunkel, Secretary McKelvey, Member Lofland, Member Kuns, Member Saunders, Member Naurath all votes yes.

V.C. Kunkel: Mercantile license for Raymond's Cuisine?

Santiago Perez my son and I are applying for a mercantile license for Italian and Spanish Food restaurant at, 328 White Horse Pike, Clementon Plaza. The hours will be Monday thru Thursday 11am to 10pm, Friday 11am to 11pm and Sunday 12pm to 10pm. There will be 4 to 5 employees.

V.C. Kunkel: What about the signs?

Santiago Perez: We will use the same signs that are there, just going to change the name.

V.C. Kunkel: You aren't going to have any hazardous materials at this location are you?

Santiago Perez: No.

V.C. Kunkel: Have you made arrangements for trash pickups?

Santiago Perez: Yes we are going to get a dumpster it will be in the back of the building all the way in the corner. There is plenty of parking in the lot.

V.C. Kunkel: Have you applied for any of the licenses for food?

Santiago Perez: We have applied for the food license and inspections.

V.C. Kunkel: will you be doing any renovations to the inside of the building?

Santiago Perez: The existing counter we might want to remodel a little bit but not taking down any walls.

V.C. Kunkel: What about deliveries to the restaurant are you going to have vendors deliver?

Santiago Perez: Yes we will be having vendor's deliver to the back of the building.

Member Kuns: Your background check has not been completed yet.

Member Lofland: So we would have to continue this?

V.C. Kunkel: Yes when the background check is completed.

Solicitor Rhodes: We can Vote and say they can open when the taxes are paid.

V.C. Kunkel: are you aware that there are taxes owed on this property? Before you can get a mercantile license the taxes would have to be paid. They are delinquent last quarter of 2015 and the first quarter of 2016, totaling \$11,772.47.

Solicitor Rhodes: Mention to him that the board told you the taxes need to be brought to date before you can open.

V.C. Kunkel: We will vote on this to approve when the background is received from the Police Dept. and the Taxes are brought current.

Member Kuns: I make a motion to approve based on the fact that the taxes have to be paid before occupancy and the Police background check must be completed.

Member Lofland made second motion to approve.

Roll Call: V.C. Kunkel, Yes, Secretary McKelvey, Yes, member Lofland, Yes, Member Kuns, Yes, Member Saunders, Yes, Member Naurath, Yes.

V.C. Kunkel: OK we have a couple things that need to be handled before it goes to Council. The major thing is taxes and the approval of your background check.

V.C. Kunkel: Application for Land purchase? No answer. Sir, what are you here for?

Hello, I am Darryl Austin. I am with Forerunner Housing Partners. I have a contract out with the Mt. Carmel properties. I am here to discuss my plans of financing with you. I have practiced exclusively in the affordable housing since the late 90's. I started out with a small company called mission first in D.C. I went to Law School and practiced for six years representing tax credit syndicators and investors, from there I went to volunteers of America and I worked for HUD a number of years. Now I am doing more development than I am lawyering. I have a contract out with Mt. Carmel and I understand you would like to see more affordable housing developed on that site. That implicates the low income affordable housing program. The low income affordable housing program is the primary vehicle for affordable housing. There is about 2 1/2 million dollars of site work which needs to be accomplished on that site, which could easily swing 1 million dollars in the wrong direction. I think that a 9% financing program would be the only financing program out there that would tackle all that site work. One of the challenges is that the programs can be competitive. I can get 70% equity from the tax credit equity. Under the current guide lines Clementon doesn't score for a senior's project. My challenge is how do I get you what you want which is a 55 plus demographic and fit that within the rules of the financing program. There are two ideas. The first, I am agreeing with the State to utilize the public housing lists and agreeing with Clementon Housing Authority to use their list. Those waiting lists are heavily skewed toward 55 and older. Based on the housing Authority list Clementon will be leaning towards the 55 and older community. If I submit to the open Pool, Clementon does not score perfectly for the open pool but we are close. Under the open pool, 25% of the units have to be three bedrooms. Ain the three bedroom units we don't know the population so it could be families. It will be 1 out of 4 units 25%; you can be assured most of the populations will be mostly seniors. Third, we have to break this project

down into phases in order to get financing. Right now I am thinking through a 96 unit project then an 84 unit project. I can even break that down further starting with a 96 units then 50 unit project then at 20% supportive house for folks with various disabilities. Today I applied for a \$375,000 grant, money follows the person program. Under this program, the state will lease 5 units from me and take recently disabled seniors and help them to simulate back into independent living and provide social services. All I would have to do is lease the state 5 units. The property does not contain a senior restriction, they do not want to isolate groups they want inclusiveness in the community. There is just no finance for a 55 and plus grants. *Will need to submit the application by May 10<sup>th</sup> if I don't meet that deadline. Then Clementon will lose a couple of additional points next year. There is a new scoring in NJ. The country has a number of points called opportunity points. They look at a number of jobs per person in a particular municipality. One of the things they look at are the fourth grade Park testing scores. When I first looked at Clementon they did not score. I found that I could look back 2 years. The 2016 score didn't make the cut. But this year I can rely on 2015 when Clementon did hit the threshold. That's when I put the full court press on this project. That's when I started asking questions, I contacted Gabe's attorney, he invited me to put in an offer. Things have gone well. I have given you a write up discussing a number of topics. My request if you are agreeable to making certain modifications to the zoning. What would be my path forward so I can apply for tax credits on May second?*

*Solicitor Rhodes: Have you discussed this with council?*

*Darryl: I left a message for George Botcheos; he called me on the 21<sup>st</sup>. I was telling him we needed tax abatement for the last 15 years. He put it on the meeting for the board. It takes two meetings. He introduced it on Feb. 21<sup>st</sup>. Hopefully I will have an answer by May 1<sup>st</sup>.*

*Solicitor Rhodes: What type of tax abatement is it?*

*Darryl Austin: It is based on 5% of revenues. The abatement is based under the New Jersey housing finance New Jersey Statute.*

*Member Kuns: How many units did you want to put in?*

*Darryl Austin: Right now it is zoned for 180 units. It is all going to depend on financing. Right now I am going to propose a 96 unit project and an 84 unit project.*

*Member Kuns: Would you be interested in putting in the infrastructure for all 180 units?*

*Darryl Austin: If that is what I have to do. I have underwritten it so that the first 96 can actually handle all of that. I will actually be applying for grants in the meantime, just in case I can't get the other phase or phases funded immediately. My tax investors will have some questions regarding the number of units I build, but I have a number of arguments to throw back at them. If I can get some grants, they will offset some of the costs. This will also buy me time to handle the subsequent phases.*

*Member Kuns: I don't think without the whole infrastructure for all units it will go through.*

*Darryl Austin: The infrastructure will be put in for all 180 units when we do the 96 unit phase.*

*Solicitor Rhodes: What would phase one be composed of? Will they be mostly 3 bedroom units?*

*Darryl Austin: Currently the site is 6 buildings, 4 stories, 32 units per building, except for the community room building which is only 20 units. This would be 3 thirty two unit buildings. 20% one bedroom, 20% 3 bedroom, all the rest would be 2 bedrooms.*

*Member Naurath: There would have to be elevators in there as well.*

*Darryl Austin: Correct.*

*Member Lofland: How many units in each building?*

*Darryl Austin: 32 units in each building. Except for the community room building there will be 20 units.*

*Secretary McKelvey: You mentioned the Park scores saying they weren't at the level.*

*Darryl Austin: For 2015 they hit the level. For 2016 they did not. That's why I don't think this site will be eligible for funding next year.*

*Secretary McKelvey: You also mentioned low income. Would that be family?*

*Darryl Austin: All the units will be restricted to 50% of area median income, which is on par with the rents in the area. The rentals at Silver Lake are neck in neck. I would have to take into consideration the utilities the tenants' pay. That would drop my rents by 20% below what they pay. Most of the tenants the housing authority will recommend to me will have vouchers or have project based voucher paperwork for a number of units.*

*Secretary McKelvey: So it is still 55 and plus right?*

*Darryl Austin: It can't be called 55 or plus.*

*Secretary McKelvey: I am asking if you can fill it before it is 55 and plus? Will you be filling it with younger than 55? I am concerned with if you fill with the young group you will turn away the 55 and plus.*

*Darryl Austin: No that will not happen; any affordable housing developer that does not accept vouchers from the housing authority it is unheard of. When the housing authority makes that recommendation to us we are going to take them.*

*Secretary McKelvey: What I am going to say is we would prefer to have the seniors before the younger group or the seniors will be scared away.*

*Darryl Austin: Sure, realistically I don't think that will happen.*

*Member Kuns: How does Rowand Pond affect this?*

*Darryl Austin: I don't think it will. Most of my tenants are coming from the housing authority. I have 5 units from the state. I have tenants coming from other programs, so I don't think that will affect me at all.*

*Solicitor Rhodes: So the board understands, He is here an informal to get a feel from the board to see if we would be receptive to a formal application to amend the site plan which restricted the development for 55 and over. The current site plan approved 10 buildings three stories.*

*Darryl Austin: I am sorry, I think there are a second site plan the approved 6 buildings four stories.*

*Solicitor Rhodes: No.*

*V.C. Kunkel: That was purposed.*

*Darryl Austin: Oh it was purposed, so we are in a ten building world.*

*Solicitor Rhodes: The approval was granted in 2005 for ten buildings three stories. They have come before us with a multitude of theoretical possibilities one of the most recent ones was 6 four story buildings. He did not come in on a site plan application.*

*Darryl Austin: Got it this is a site plan application not a zoning issue?*

*Solicitor Rhodes: Yes, we need an amended site plan. The restriction on the site plan was everything is 55 and older.*

*Darryl Austin: So that would have to go through the state?*

*Bill Fleming Churchill Engineers: They were condos too.*

*Member Naurath: They were not rentals.*

*Darryl Austin: I was operating with the understanding that this was the current site plan.*

*Secretary McKelvey: I just want to say he was here in January right? He got an extension.*

*Solicitor Rhodes: He got an extension for his permits, which were for 10 three story buildings.*

*Secretary McKelvey: In the minutes it says it will remain all seniors 55 and up. Most of the people are 62 and up that's what the minutes say.*

*Solicitor Rhodes: That is what exists today. There is no change to that. He would have to come in asking for an amended final site plan. He might even have to go for a preliminary because you are asking for major changes. What DE Medio did in January was just extend his 2005 approvals. There wasn't any change to the plan. He talked about trying to make changes. This just extended the approvals of the site plan from 2005. He couldn't make the changes to the site plan until he found out that he could get out from under his bills in the bankruptcy. So what you have now is an approval of 10 buildings 3 stories each Condo that would be individually owned. He is trying to make sense to see if it is worth his expense*

*to prepare site plans, go through all the engineering all that stuff. What we would be asked to do is to change 10 three story buildings to 6 four story buildings, increasing to three bedroom units as opposed to the maximum two bedroom units. Change from individual ownership to rental units and getting rid of the over 55 requirement because he can't get his financing if that is not in place.*

*Vice Chairman Kunkel: That would put a burden on the school system.*

*Solicitor Rhodes: If you eliminate the over 55 that could exposed yourself to the possibility to families with kids. It probably likely would with three bedrooms. He is saying that 25% of the 180 units will be three bedrooms.*

*Secretary McKelvey: Which is if the change was done we would have 180 more apartments in Clementon as opposed to Condos.*

*Darryl Austin: Yes that is right. There are certainly demands.*

*Solicitor Rhodes: Do you remember approximately how many were on the waiting list from the tower?*

*Darryl Austin: That's right about 150 here.*

*Bill Fleming: The reduction in the number of buildings, Gabe seemed to feel could be easily accomplished. I am not so sure of that and it certainly depends on the buildings. The grading the drainage, roadway system, parking all that has to be reevaluated in the site plan process. All of the approvals from the DEP that have since then expired. The wetlands zones regulations have since changes. He was under the opinion that he could move things around; It must be looked at very carefully. There is a pump station that was included in this approval. All that stuff is going to have to be looked at again.*

*Darryl Austin: I received a letter from Gabe that he paid to keep certain permits open to December, 2017.*

*Solicitor Rhodes: The only permit they extended is the final site plan approval. Before that time the DEP extended permits and some of the other things were extended. That was a permit extension act because of the economic situation the state did not do it this December. All of those expired as of June, 2016.*

*Darryl Austin: The fact that these all have expired there is no way this project is going to be approved by May 2<sup>nd</sup>.*

*Solicitor Rhodes: No not by May.*

*Darryl Austin: I have to have site plan approval by May 2<sup>nd</sup>. If you are telling me that I don't have that because all the preliminary plans have expired.*

*Solicitor Rhodes: You have site plan approval. You want to amend that if you apply. You want to change that from 10 to 6 buildings. In order for you to have preliminary approval you are going to have to show drainage studies and all of the loose ends. It will be tough to put it together in that period of time.*

*Darryl Austin: To the extent that I leave it 10 buildings then do I need those studies?*

*Solicitor Rhodes: It is a tough call for you I think. As Bill said all of the DEP approvals have expired and the rules regarding things have dramatically changed since they were granted. You will have to reapply and spend a lot of money and hope.*

*Darryl Austin: This will be a challenge if I keep it as a 10 building project I will have an engineer look at it. If all those things were able to be accomplished, the 55 restriction?*

*Solicitor Rhodes: You would have to come in for an amended site plan.*

*Darryl Austin: I would appreciate some offline conversations to see if you were into that before I make applications.*

*Solicitor Rhodes: I thought the purpose for you being here tonight was to decide whether you were going to make a formal application or not. My view is the biggest hurdle is to get rid of the over 55 restrictions.*

*V.C. Kunkel: I would be looking at the economic impact for the Borough with the school system if we had more children coming here. Plus you are seeking a tax break. No income coming in, it would fall on current residents to pick up on that tax increase.*

*Darryl Austin: I was modeling my tax assessment on 5% about \$30,000. I know there is a Fink study out there. I want to look into that. I was hoping the conclusions would help support my project.*

*Solicitor Rhodes: I don't know the answer to that. I can tell you that the board is reluctant to grant approvals to increase apartments in the borough because of past experiences.*

*Darryl Austin: With respect to the low income tax credit program I can tell you the investors, Fannie Mae Freddie Mac, Wells Fargo, Citibank they are all large institutions who invest in these projects and get community investment tax credit indicators they are not going to let property fall into disrepair they want it to look good. This allows the owner to reapply to do repairs such as heating, elevators, roofs, etc. so you don't get deferred maintenance every 15 years they can re capitalize.*

*Solicitor Rhodes: When he is talking about tax credits he doesn't mean with the municipality. He is talking about it as an investor. You get accredit against your personal tax return because of your ownership interest.*

*Bill Fleming: It does require that you refile to get your returns, which allows you to bring it up to fair market conditions.*

*Solicitor Rhodes: Darryl I think you have some tough reads from the board. You have a tough road to figure.*

*Darryl Austin: Thank you for your time.*

*Solicitor Rhodes reads the resolution 2017-1 for the DE Medio final site plan extension.*

*Rollcall: V.C. Kunkel, Member Saunders, Member Kuns, Member Lofland, Member Naurath, Secretary McKelvey, Member Naurath, all approved Resolution 2017-1*

*V.C. Kunkel made 1<sup>st</sup> motion to adjourn second by member Naurath.*