BOROUGH OF SADDLE RIVER
BERGEN COUNTY, NEW JERSEY
LEGAL NOTICE

NOTICE IS HEREBY GIVEN that the following proposed ordinance will be introduced at a meeting of the Borough Council of the Borough of Saddle River, in the County of Bergen, State of New Jersey, held on the 17th day of August 2026, at 7:00 P.M., or as soon thereafter as said matter can be reached, and that said ordinance will be taken up for further consideration for final passage at the meeting of said Borough Council to be held in the Municipal Building, 100 E. Allendale Road, Saddle River, New Jersey, on the 14th day of September 2026, at 7:00 P.M., or as soon thereafter as said matter can be reached, at which time and place all persons who may be interested therein will be given an opportunity to be heard concerning the same.

A copy of this ordinance has been posted on the Bulletin Board upon which public notices are customarily posted in the Municipal Building of the Borough, and a copy is available up to and including the time of such meeting to the members of the general public of the Borough who shall request such copies, at the office of the Clerk in said Municipal Building in the Borough of Saddle River, New Jersey.

Cindy Kirkpatrick, RMC
Borough Clerk

ORDINANCE NO. 26-1125

BOROUGH OF SADDLE RIVER

AN ORDINANCE AUTHORIZING A TAX EXEMPTION AND APPROVING AN AGREEMENT FOR PAYMENTS IN LIEU OF TAXES FOR AN AFFORDABLE HOUSING PROJECT PURSUANT TO N.J.S.A. 52:27D-329.2 ET SEQ.

WHEREAS, the Borough of Saddle River (the "Borough") is the owner of certain real property located at 20 and 22 East Allendale Road, Saddle River, New Jersey, and identified on the Borough Tax Map as Block 1605, Lots 1 and 2 (the "Property"); and

WHEREAS, the Borough acquired the Property utilizing monies from its Affordable Housing Trust Fund in furtherance of its plan to address its constitutional and statutory affordable housing obligations and to facilitate the development of affordable housing within the Borough; and

WHEREAS, the Borough has designated Saddle River Phase 2, LLC, a New Jersey limited liability company (the "Sponsor"), as the developer of a one hundred percent (100%)

affordable age-restricted rental housing project consisting of forty-two (42) affordable rental housing units for very low-, low-, and moderate-income seniors to be constructed on the Property (the "Project"); and

WHEREAS, pursuant to a Developer's Agreement dated May 1, 2026, the Borough has agreed to convey the Property to the Sponsor, or an affiliated ownership entity, at the closing of the financing for the Project in exchange for One Dollar ($1.00) and other good and valuable consideration; and

WHEREAS, the Borough has utilized Affordable Housing Trust Fund monies in connection with the acquisition of the Property and the development of the Project; and

WHEREAS, the Project will assist the Borough in satisfying its constitutional and statutory affordable housing obligations and implementing its court-approved affordable housing plan; and

WHEREAS, N.J.S.A. 52:27D-329.2 et seq. authorizes municipalities to grant an exemption from real property taxation for affordable housing projects funded, in whole or in part, through municipal affordable housing development fees and/or Affordable Housing Trust Fund monies, provided that the owner of the project agrees to pay an annual charge for municipal services supplied to the project; and

WHEREAS, the Borough and the Sponsor have negotiated an Agreement for Payments in Lieu of Taxes (the "PILOT Agreement") pursuant to N.J.S.A. 52:27D-329.2 et seq.; and

WHEREAS, the Mayor and Council have determined that granting the tax exemption and approving the PILOT Agreement is in the best interests of the Borough and will further the public purposes of providing affordable housing and satisfying the Borough's affordable housing obligations.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Borough of Saddle River, County of Bergen, State of New Jersey, as follows:

SECTION 1. Incorporation of Recitals. The foregoing recitals are hereby incorporated as though fully set forth herein.

SECTION 2. Findings. The Mayor and Council hereby find and determine that:

(a) The Project constitutes an affordable housing project within the meaning of N.J.S.A. 52:27D-329.2 et seq.;
(b) The Project is being developed with the assistance of Affordable Housing Trust Fund monies utilized by the Borough in connection with the acquisition of the Property and development of the Project;
(c) The Project will provide forty-two (42) affordable age-restricted rental housing units for very low-, low-, and moderate-income households;

(d) The Project advances the Borough's affordable housing plan and serves an important public purpose; and
(e) The granting of the tax exemption authorized herein is in the public interest and authorized by N.J.S.A. 52:27D-329.2 et seq.

SECTION 3. Authorization of Tax Exemption. Pursuant to N.J.S.A. 52:27D-329.2 et seq., the Borough hereby grants a tax exemption for the Project, subject to the terms and conditions set forth in the PILOT Agreement.

SECTION 4. Approval of PILOT Agreement. The Mayor and Borough Clerk are hereby authorized and directed to execute the PILOT Agreement between the Borough and the Sponsor, substantially in the form attached hereto as Exhibit A, which is made a part hereof, and on file in the office of the Borough Clerk, and which provides for an annual service charge equal to 6.28% of Gross Sheltered Rents (defined as total gross residential rental income, less a standard vacancy allowance and project utility expenses as more fully defined in the PILOT Agreement), subject to the minimum annual payment provisions set forth therein.

SECTION 5. Allocation of Proceeds. The Borough shall allocate a sum equal to Thirty-Seven Percent (37%) of the Annual Service Charge paid by the Sponsor and Received by the Borough to the Saddle River Board of Education for its general funds without restriction.

SECTION 6. Authorization of Borough Officials. The Mayor, Borough Clerk, Borough Administrator, Tax Assessor, Tax Collector, Borough Attorney and all other appropriate Borough officials and professionals are hereby authorized to execute all documents and take all actions necessary to effectuate the purposes of this Ordinance and the PILOT Agreement. The Borough Clerk shall forward a certified copy of the adopted Ordinance and fully executed PILOT agreement to the Borough Tax Assessor within 10 days of execution.

SECTION 7. Severability. If any section, subsection, paragraph, sentence or other provision of this Ordinance shall be adjudged by a court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of this Ordinance.

SECTION 8. Repealer. All ordinances or parts of ordinances inconsistent herewith are hereby repealed to the extent of such inconsistency.

SECTION 9. Effective Date. This Ordinance shall take effect upon final passage, publication and filing as required by law.

Introduced: August 17, 2026
Adoption: September 14, 2026

	MOTION	SECOND	AYES	NAYS	ABSTAIN	ABSENT
Carpenter, Duncan			X			
DiGirolamo, Christopher	X		X			
Hekemian, David			X			
Kurpis, Jonathan						X
Liva, Jeffrey			X			
Sachdev, Ravi		X	X			
Kurpis, Albert J., - Mayor						

I hereby certify the above to be a true copy of an Ordinance **adopted** by the Governing Body of the Borough of Saddle River on September 14, 2026.

Albert J. Kurpis,
Mayor

Cindy Kirkpatrick, RMC
Municipal Clerk

AGREEMENT FOR PAYMENTS IN LIEU OF TAXES

THIS AGREEMENT FOR PAYMENTS IN LIEU OF TAXES (this "Agreement") is made as of this ____ day of _____, 2026 between Saddle River Phase 2 LLC, a New Jersey limited liability company, (the "Sponsor"), having its principal office at 2 Cooper Street, 14th Floor, Camden, New Jersey 08102, and the Borough of Saddle River (the "Municipality"), a municipal corporation having its principal office at 100 East Allendale Road, Saddle River, New Jersey 07458.

WITNESSETH:

WHEREAS, the Sponsor is the contract purchaser of that certain tract of land located in the Borough of Saddle River, Bergen County, New Jersey, identified on the Tax Map of the Borough of Saddle River as Block 1605, Lot 1 & 2 and more fully described and depicted in the tax map attached hereto as Exhibit A (the "Property"); and

WHEREAS, the Sponsor intends to ~~renovate and~~ operate thereupon a 42-unit affordable rental housing project, together with such other improvements as may be necessary in connection therewith, such as landscaping, curbing, and paving (the "Project"); and

WHEREAS, the Municipality will spend a portion of its affordable housing development fees in assisting in the ~~renovation of the~~ Project; and

WHEREAS, the Municipality is authorized, pursuant to certain amendments to the Fair Housing Act, N.J.S.A. 52:27D-301, et seq., which amendments were adopted in 2024, at N.J.S.A. 52:27D-329.2, et seq. (the "Law"), to grant an exemption for real estate taxes for the units of affordable housing being developed or preserved with pursuant to a housing project funded, in whole or in part, through the Municipality's affordable housing development fees, if the project's owner agrees to pay to the Municipality an annual charge for municipal services supplied to the Project; and

WHEREAS, as stated above and herein, the Municipality intends to spend affordable housing development fees on the Project; and

WHEREAS, the Municipality has agreed to grant an exemption to the Project for real estate taxes and the Sponsor has agreed to make payments to the Municipality in lieu of real estate taxes; and

WHEREAS, in light of all of the foregoing, the Sponsor and the Municipality desire to enter into this Agreement to memorialize the Sponsor's exemption from real property taxes and its obligation to make payments in lieu of such real property taxes.

NOW, THEREFORE, the Sponsor and the Municipality, in consideration of the mutual undertakings set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, covenant and agree as follows:

1. This Agreement is made pursuant to the authority contained in Section 52:27D-329.2 of the Law (P.L. 2024, c. 6).

2. On the date (the "Tax Exemption Commencement Date") of the Sponsor's execution of a mortgage encumbering the Property and the Project with a permanent (not merely construction) mortgage lien (the "Mortgage"), the land and improvements comprising the Property and the Project shall be exempt from all ad valorem real property taxes, provided that the Sponsor shall make payments in lieu of taxes to the Municipality as provided hereinafter. The exemption of the Property and the Project from ad valorem real property taxation and the Sponsor's obligation to make payments in lieu of taxes shall apply until the later of thirty (30) years, or such other time period if and when the affordability controls to which the Project and Property are subject are extended, or the satisfaction and discharge of the Mortgage ("Tax Exemption Expiration Date") after which the property and the Project shall be subject to all applicable ad valorem real property taxes.

3. The land comprising the Property shall be assessed in accordance with the rules and regulations governing the taxation of vacant land in the State of New Jersey and Sponsor agrees to pay the real estate taxes arising out of such assessment from the time Sponsor takes title to the Property until the Tax Exemption Commencement Date, subject to Sponsor's statutory rights to appeal such assessment. From the time of the execution of this Agreement until the Tax Exemption Commencement Date, the Municipality agrees that no assessment shall be made upon any

improvements constructed in connection with the Project, whether by added/omitted assessment, revaluation, interim assessment or any other manner permitted by law.

4. (a) From the Tax Exemption Commencement Date until the Tax Exemption Expiration Date, the Sponsor shall pay to the Municipality an annual service charge in lieu of taxes to the Municipality in an amount not less than the greater of 6.28% of Gross Sheltered Rents as defined below or the amount of taxes attributable to the land value component of the Property comprising the Project site for the year preceding the recording of the mortgage (the "Annual Service Charge").

(b) As used herein, "Gross Sheltered Rents" means the total gross residential rental income, less a standard vacancy allowance and project utility expenses.

(c) The estimated amounts of the Annual Service Charge to be paid each year pursuant to this Agreement are set forth in the estimated revenue projections/estimated Annual Service Charge table attached hereto as Exhibit B, which includes a general description of the Project and unit mix. It is expressly understood and agreed that the revenue projections provided to the Municipality as set forth in Exhibit B and as part of the Sponsor's application for an agreement for payments in lieu of taxes are estimates only. The actual payments in lieu of real estate taxes to be paid by the Sponsor shall be determined hereinbelow.

5. (a) Payments of the Annual Service Charge 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 and shall be based upon the greater of 6.28% of Gross Sheltered Rents of the previous quarter or the quarterly amount of taxes attributable to the land value component of the Property comprising the Project site for the year preceding the recording of the mortgage.

(b) No later than four (4) months following the end of the Sponsor's fiscal year for each year that this Agreement is in effect after the Tax Exemption Commencement Date, the Sponsor shall submit to the Municipality a certified, audited financial statement of the operation of the Project (the "Audit"), setting forth (i) the Gross Sheltered Rents for the previous year and (ii) the total Annual Service Charge due to the Municipality, calculated at 6.28% of Gross Sheltered Rents, for the previous year (the "Audit Amount"). The Sponsor, simultaneously with the submission of the Audit, shall pay the difference, if any, between (i) the Audit Amount and (ii) the quarterly payments in lieu of real estate taxes made by the Sponsor to the Municipality for the

preceding year. The Municipality may accept any such payment without prejudice to its right to challenge the amount due. In the event that the payments made by the Sponsor for any fiscal year shall exceed the Audit Amount for such fiscal year, the Municipality shall credit the amount of such excess to the account of the Sponsor for the immediate next quarter(s).

(c) All payments pursuant to this Agreement shall be in lieu of taxes and, subject to the provisions of this Agreement, the Municipality shall have all the rights and remedies of tax enforcement granted to Municipalities by law just as if such payments constituted regular tax obligations on real property within the Municipality. If, however, the Municipality disputes any Audit Amount, it may apply to the Superior Court, Chancery Division, Bergen County for an accounting of the Gross Sheltered Rents in accordance with this Agreement and Law. The Municipality must commence any such action to challenge an Audit Amount within six months of the receipt of the corresponding Audit.

(d) In the event of any delinquency in the payments required under this Agreement, the Municipality shall give notice of the delinquency to the Sponsor in the manner set forth in Section 10 (a) below and allow Sponsor thirty (30) days to cure the delinquency prior to taking any legal action.

6. The tax exemption herein shall apply only so long as the Sponsor or its successors and assigns and the Project remain subject to the provisions of the Law, but in no event after the Tax Exemption Expiration Date.

7. 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, not including the sale or transfer of any membership interest, this Agreement shall be assigned to the Sponsor's successor without the Municipality's consent, but upon no less than thirty (30) days prior written notice to the Municipality, and shall continue in full force and effect only if the successor entity qualifies under the Law.

8. 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 Law, or any other applicable state law, the Property and the Project shall be taxed as omitted property in accordance with the law, and subsequently in the same manner as other non-exempt real property with improvements thereon in the Borough of Saddle River.

9. The Sponsor, including its successors and assigns, shall, upon request, permit duly authorized representatives of the Municipality to inspect and examine (a) the Property, (b) the equipment, buildings and other facilities of the Project, and (c) all documents and papers relating to the Project. Any such inspection or examination shall be made during reasonable hours of the business day, in the presence of an officer or agent of the Sponsor, including its successors and assigns.

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

(a) When sent by the Municipality to the Sponsor, it shall be addressed to Saddle River Phase 2, LLC, 2 Cooper Street, Camden, New Jersey 08101, attention: Jonathan Lubonski, Vice President or to such other address as the Sponsor may hereafter designate in writing, with a copy to Law Offices of Ryan D. Harmon LLC, P.O. Box 90708, Camden, NJ 08101, attention: Ryan D. Harmon, Esq.

(b) When sent by the Sponsor to the Municipality, it shall be addressed to the Municipality, Borough of Saddle River, 100 East Allendale Road, Saddle River, New Jersey 07458, Attention: Municipal Clerk, with a copy to Borough of Saddle River Attorney, Attention: David S. Lafferty, Esq.

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

12. This Agreement sets forth all of the promises, covenants, agreements, conditions and understandings between the parties with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, with respect thereto.

13. If any clause, sentence, subdivision, paragraph, section or part of this Agreement be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder hereof, but shall be confined in its operation to the clause, sentence, subdivision, paragraph, section or part hereof directly involved in the controversy in which said judgment shall have been rendered.

14. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

15. This Agreement may be assigned by the Sponsor to an affiliate of the Sponsor, provided that such affiliate develops the Project in accordance with the terms and conditions set forth in this Agreement.

16. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

[_____]

_____

By: _____
Name:
Title:

[_____]

_____
Name: _____
Title: Municipal Clerk

By: _____
Name: _____
Title: Mayor

Exhibit A

Tax Map

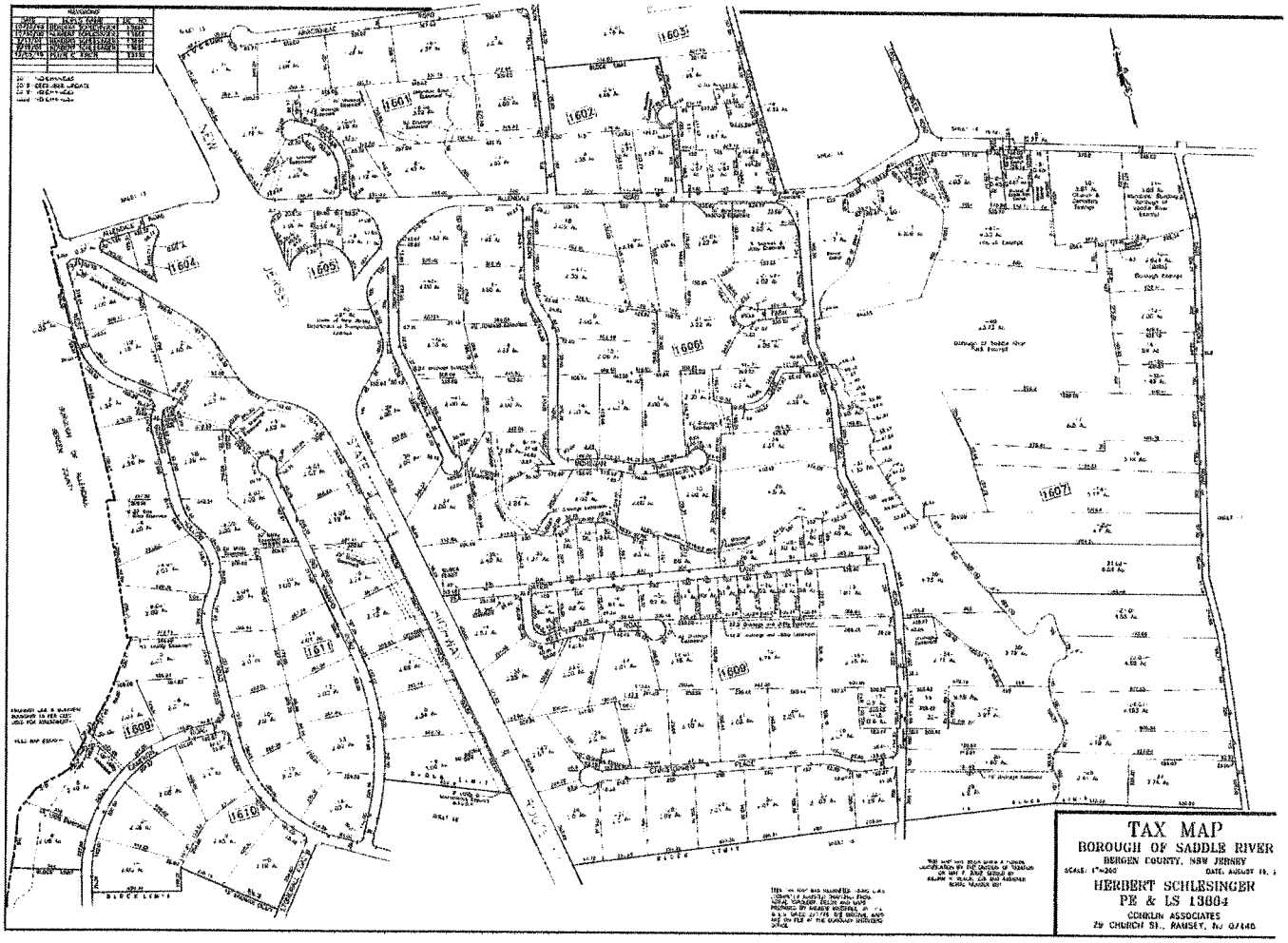

Exhibit B

Estimated Revenue Projection/Estimated Annual Service Charge/Project Description and Unit Mix

REVENUE PROJECTIONS

Projected Annual Gross Rents	$612,612
Proforma Vacancy at 5%	($30,631)
Projected Annual Utility Costs	($65,310)
Project Revenues	$516,671
Payment in Lieu Percentage	6.28%
Annual Projected Payment in Lieu Amount	**$32,447**

	Estimated PILOT Payment
Year 1 $ 32,447	Year 16 $ 50,551
Year 2 $ 33,420	Year 17 $ 52,068
Year 3 $ 34,423	Year 18 $ 53,630
Year 4 $ 35,456	Year 19 $ 55,239
Year 5 $ 36,519	Year 20 $ 56,896
Year 6 $ 37,615	Year 21 $ 58,603
Year 7 $ 38,743	Year 22 $ 60,361
Year 8 $ 39,906	Year 23 $ 62,172
Year 9 $ 41,103	Year 24 $ 64,037
Year 10 $ 42,336	Year 25 $ 65,958
Year 11 $ 43,606	Year 26 $ 67,937
Year 12 $ 44,914	Year 27 $ 69,975
Year 13 $ 46,262	Year 28 $ 72,074
Year 14 $ 47,649	Year 29 $ 74,236
Year 15 $ 49,079	Year 30 $ 76,463

Project Description

Saddle River Phase 2 LLC, a sole purpose entity and affiliate of The Michaels Organization ("Michaels"), is the applicant for Saddle River Phase 2 ("The Project"), a proposed 42-unit, 100% affordable age-restricted for residents 62 years and older housing development in the Borough of Saddle River, Bergen County, NJ. The anticipated financing includes equity from the sale of 9% Low-Income Housing Tax Credits, a conventional taxable construction loan, a taxable NJ HMFA permanent first mortgage, and deferred developer fee. The Borough of Saddle River owns the subject properties and is contributing them to the project.

The Project will be developed at the current site of 20 and 22 East Allendale Road (Block 1605, Lots 1 & 2), directly across the street from Saddle River Family, a 112-unit, 100% affordable family community that is fully leased. Michaels received a 9% LIHTC allocation for that development. This age-restricted community will be the second phase that Michaels will work with the Borough to accomplish their Fair Share of affordable units.

The Project meets the State's criteria for prioritizing affordable housing development in high-opportunity municipalities. With strong local support from the Borough of Saddle River, a cooperative municipal partner, and the expertise of The Michaels Organization, an experienced affordable housing developer, Saddle River Phase 2 is well-positioned to advance from concept to reality.

The proposed affordable community represents a unique opportunity to deliver high-quality affordable housing within a high-opportunity municipality. Thoughtfully designed with a layout that complements the surrounding neighborhood, Saddle River Phase 2 will have a positive and lasting impact on the area. The development is a critical component of the Borough's Fair Share Plan and will help fulfill its affordable housing obligations. Future residents will benefit from access to local amenities and essential services. This project will support Saddle River in its commitment to providing safe, high-quality housing for all.

Unit Mix

Saddle River Phase 2 will include forty-two (42) total units within one three-story building. The planned unit mix for this project consists of thirty-nine (39) one-bedrooms and three (3) two-bedrooms.

Saddle River Phase 2 will provide affordable housing to a broad mix of incomes. At least 50% of the affordable units will be available to very low-income and low-income households. The remaining units will be available to moderate-income households as defined in the State of New Jersey's Uniform Housing Affordability Controls ("UHAC") and other applicable statutes and regulations. A minimum of 13% of the units will be available to very low-income households, defined as households earning 30% or less of the regional median income by household size. Five (5) units are reserved for homeless individuals are underwritten at 20% AMI.