

Penns Grove Housing Authority  
40 South Broad Street  
Penns Grove, NJ 08069

Minutes of the Meeting October 1, 2025

The meeting was opened with a reading of the Sunshine Law. A motion was made by Karen Wright and seconded by Jesus Lopez. The motion was unanimously approved by all present.

**ROLL CALL**

Present: Karen Wright, Laverne Hill, Dorraine Robinson, Jesus Lopez, Margie Pollard, Ignacia Washington, Carolina Valdez and Catherina Rutland

Absent: Norman Scott and James K. Grace

**APPROVAL OF MINUTES:**

A motion to approve the regular minutes of the September 3, 2025 meeting was made by Ignacia Washington and seconded by Jesus Lopez. The motion was unanimously approved by all present.

**OLD BUSINESS**

**STATUS REPORT**

Catherina went over the status report. Catherina reported that we have three vacant units at Silver Run and one vacant units at Penn Towers.

Catherina stated that we are processing three new eviction cases for non-payment of rent/lease violations at this time.

Catherina reminded the Board about the following events planned:

1. Monday, November 10, 2025 Atlantic City Bus Trip
2. Penn Towers Thanksgiving meal on Thursday, November 13, 2025 at noon

Catherina stated that our next scheduled Board work session was scheduled for Wednesday, October 8, 2025 at 5PM.

Catherina stated that enclosed in their packets they would find information on the Nelrod Consortium Annual Conference in NV that would take place from February 25th to February 27th, 2026. Catherina stated to let her know as soon as possible if they would like to attend the conference.

Laverne Hill and Ignacia Washington expressed interest in attending the Nelrod Consortium Annual Conference. A motion was made by Jesus Lopez to approve Laverne Hill and Ignacia Washington to attend the Nelrod Consortium Annual Conference. The motion was seconded by Margie Pollard and approved unanimously by all present.

Karen Wright expressed interest in attending the PHADA 2026 Commissioners' Conference in Tampa, Florida from January 4<sup>th</sup> to the 7<sup>th</sup>, 2026. A motion was made by Jesus Lopez to approve Karen Wright to attend the PHADA 2026 Commissioners' Conference. The motion was seconded by Ignacia Washington and approved unanimously by all present.

#### RAD SECTION 18 BLEND APPLICATION

Catherina reported that work is continuing on the RAD application. The Board discussed the potential impact of the government shutdown on the progress and timing of the application.

#### NEW BUSINESS

#### RESOLUTION: RFP LEGAL SERVICES-BOND/TAX COUNSEL RESULTS

Catherina requested that the RFP for Legal Services – Bond/Tax Counsel be tabled. She explained that three bids were received for the RAD application process; however, two of the three bids did not include a maximum fee to exceed. After reviewing the submissions with the attorney and consultants, it was determined that the Authority should consider rebidding the RFP to ensure clarity and fairness. Following the discussion, a motion was made by Jesus Lopez to table the RFP for Legal Services – Bond/Tax Counsel. The motion was seconded by Ignacia Washington and approved unanimously by all present.

#### RESOLUTION: RFP FINANCIAL ADVISOR RESULTS

Catherina reported that they received one RFP for Financial Advisor from Acacia Financial Group. There was some discussion on the matter. A motion was made by Jesus Lopez to approve Acacia Financial Group as our Financial Advisor for the RAD application. The motion was seconded by Ignacia Washington and approved unanimously by all present.

#### RESOLUTION: RFP MORTGAGE FINANCING FOR RAD RESULTS

Catherina reported that they received one RFP for Mortgage Financing from Provident Financial Group. There was some discussion on the matter. A motion was made by Jesus Lopez to approve RFP for Mortgage Financing from Provident Financial Group, subject to negotiation of term sheet and NJ Local Finance Approval. The motion was seconded by Ignacia Washington and approved unanimously by all present.

#### RESOLUTION TO APPROVE MONTHLY BILLS

A motion to approve Resolution 28-2025 for the bills listed below was made by Laverne Hill and seconded by Jesus Lopez. The motion was unanimously approved by all present. General Fund checks 18521 thru 18550. Also Supplemental Bill Lists were approved for General Fund, Security Deposit, Rental Checks, Payroll Checks, Mod, and Section 8, representing checks issued after the September Board meeting.

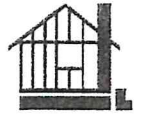
#### PUBLIC PORTION

There was no public present.

## ADJOURNMENT

A motion to adjourn the meeting was made by Jesus Lopez and seconded by Laverne Hill. The motion was unanimously approved by all present.

# Penns Grove Housing Authority



40 SOUTH BROAD ST. PENNS GROVE, N.J. 08069

(856) 299-0101 FAX (856) 299-6736

## Resolution Approving the Payment of Bills for the Penns Grove Housing Authority

DATE: October 1, 2025

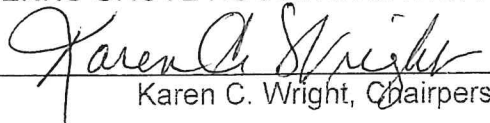
WHEREAS, the Penns Grove Housing Authority has incurred bills for the months of September 2025 and August 2025; and

WHEREAS, the Board of Commissioners have reviewed the attached list of charges for services rendered; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Commissioners of the Penns Grove Housing Authority that the attached list of bills incurred are authorized and approved for payment.

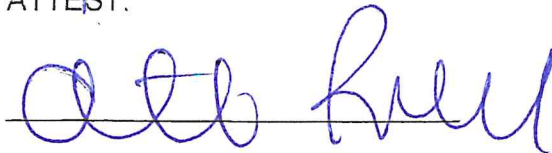
I HEREBY CERTIFY THAT THIS IS A TRUE COPY OF A RESOLUTION ADOPTED BY THE BOARD OF COMMISSIONERS OF THE PENNS GROVE HOUSING AUTHORITY AT A MEETING HELD ON OCTOBER 1, 2025.

PENNS GROVE HOUSING AUTHORITY

  
Karen C. Wright, Chairperson

	MOVED	SECONDED	Y	N	ABSTAIN	ABSENT
K. Wright			✓			
I. Washington			✓			
J. Lopez		2	✓			
L. Hill	1		✓			
M. Pollard			✓			
D. Robinson			✓			
N. Scott						

ATTEST:



Resolution No. R 28-2025  
Adopted October 1, 2025



## PENNS GROVE HOUSING AUTHORITY

### RESOLUTION 27-2025

#### APPROVING RFPS FOR SERVICES REQUIRED FOR THE RAD APPLICATION

WHEREAS, the Penns Grove Housing Authority has advertised and prepared RFP's for Financial Advisor and Mortgage Financing Services required with the RAD Section 18 blend conversion.

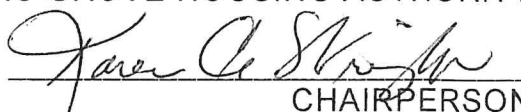
WHEREAS, the Housing Authority has obtained and carefully reviewed all bid documents.

THEREFORE, BE IT RESOLVED that the Penns Grove Housing Authority is approving the following bids for services required for the RAD application which were the lowest qualified bidders as follows:

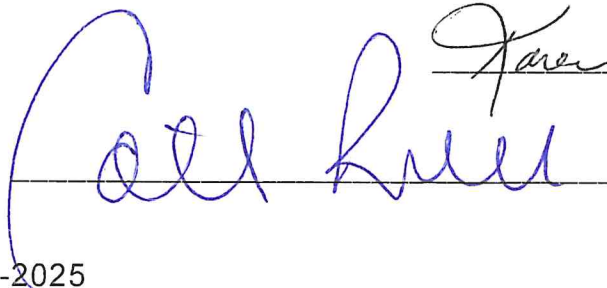
1. Mortgage Financing Services awarded to Provident contingent on negotiation of term sheet and NJ Local Finance Approval.
2. Financial Advisor awarded to Acadia Financial Group

BE IT FURTHER RESOLVED, that this Resolution shall take effect as of today October 1, 2025.

PENNS GROVE HOUSING AUTHORITY

  
\_\_\_\_\_  
CHAIRPERSON

Attest:

  
\_\_\_\_\_

Resolution No. 27-2025  
Adopted: October 1, 2025

**FINANCIAL ADVISOR SERVICES REQUIRED FOR RAD APPLICATION  
BID RESULTS**

**NAME/ADDRESS**

**BID AMOUNT**

- |  |                             |
|--|-----------------------------|
| <b>1. Acacia Financial Group, Inc<br/>6000 Midiantic Drive, Suite 410 North<br/>Mount Laurel, NJ 08054</b> | <b>Flat Fee of \$12,500</b> |
|--|-----------------------------|

Our RAD consultants reviewed the pricing proposal received and offered the following:

**Recommended approving Acadia Financial Group as our financial advisor.**

**MORTGAGE FINANCING SERVICES REQUIRED FOR RAD  
APPLICATION  
BID RESULTS**

**NAME/ADDRESS**

**BID AMOUNT**

1. Provident Bank  
111 Wood Avenue  
Iselin, NJ 07760

\$20,000 Deposit Term Sheet Attached

Our RAD consultants reviewed the proposal received and offered the following:

**Recommended approving Provident subject to negotiation of term sheet and NJ Local Finance Approval.**

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
**Senior Secured Financing**

---

*This Summary of Terms and Conditions is not intended to be and should not be construed as an offer, a commitment, nor agreement to lend, nor should it be construed as an attempt to establish all of the terms and conditions relating to the Facility. It is intended only to be indicative of certain terms and conditions around which credit approval may be sought, and if approved, how the loan documents might be structured, and shall not preclude negotiations within the general scope of these terms and conditions. No person or entity shall have any obligation to commence or thereafter continue any negotiations to enter into any definitive, binding agreement with respect to the Facility, and no person or entity should rely on an eventual formation of any agreement. Any party may freely enter into negotiations with any other person or entity, and nothing herein shall preclude any party from entering into a binding agreement with any other person or entity. The foregoing shall apply to this Summary of Terms and Conditions, as well as to any prior and subsequent communications between the Borrower and Lender with respect to the Facility, and only a definitive, written agreement, executed by both Borrower and Lender, shall be binding on Borrower and Lender with respect to the Facility.*

**Proposal Date:** July 30, 2025.

**Borrower:** Penns Grove Housing Authority. No transfers, pledges or assignments of equity interests in the Borrower shall be permitted during the term of the Facility without Provident Bank's approval.

**Lender:** Provident Bank ("Provident" or "Lender").

**Facility Amount:** Direct purchase of a Tax-Exempt Bond in the amount of \$3,000,000 issued by the Penns Grove Housing Authority (the "Loan" or "Facility"). Loan proceeds, at closing, shall be used to fund both a Rehabilitation Reserve and a Long-term Replacement Reserve.

The Facility Amount shall be the lesser of:

- (i) Maximum 65% of the "as complete" appraised value of the Property as determined by a third-party, FIRREA compliant appraisal engaged by and subject to review and approval by Lender in its sole discretion ("Appraisal").
- (ii) The amount that would produce an Appraisal Debt Yield, as defined below, of not less than 9.35%. "Appraisal Debt Yield shall be defined as the year one, stabilized net operating income of the property as contained in the Appraisal ("Appraisal NOI"), subject to review, adjustment consistent with its standard practices, and approval by Lender divided by the loan amount. The amount that would produce an Appraisal Debt Service Coverage Ratio ("DSCR") of not less than 1.30:1.00. DSCR is defined as NOI divided by annual debt service on Loan.

**Purpose:** The direct purchase of a tax-exempt bond from Penns Grove Housing Authority to facilitate the RAD/Section 18 Blend conversion of the properties commonly known as Penn Towers South and Silver Run Park, representing all 153 units of the deed restricted affordable housing under management

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

**Collateral:** The Facility shall be secured by the following, but not limited to:

- (i) First Mortgage on the Property (subject to the RAD use Agreement between the Authority and HUD);
- (ii) Assignment of first lien security interest in all fixtures, furnishings, and equipment ("FF&E") and other personal property owned by Borrower and used in connection with the Property;
- (iii) Collateral assignment of the to be formed long term capital reserve account and relocation account, and the Section 8 Housing Assistance Payments (HAP) and all payments due under the project Based Voucher (PBV) Payments (PBV).
- (iv) Collateral assignment of all present and future leases, subleases, rents, licenses, concession agreements, construction contracts, management agreements, and all permits affecting the Property;

All subordinate financing or third-party guarantee obligations, secured by the Property, shall require Bank approval. No transfer of any equity interest in the Property shall be permitted without prior written consent by the Lender.

**Loan Term:** Twenty (20) years from the signing of the Loan documents and funding of the Facility ("Closing").

**Interest Rate:**

The interest rate shall be fixed, five business days prior to the loan closing, for the first ten (10) years of the Bond term at the prevailing 10-year US Treasury rate (the "Index"), plus 1.50% per annum rounded up to the nearest one-eighth of one percent (0.125%). The loan shall have an interest rate floor of 5.00%. The indicative rate, as of 7/16/2025, is 6.00%.

Five business days prior to the tenth anniversary of the closing of the Bond (the "Change Date"), the per annum interest rate will reset based on the above terms and floor of 5.00%. The interest rate adjustment shall be limited to 3.50% over the preceding interest rate.

If, at any time during the term of the Bond, the Borrower is no longer eligible for tax-exempt status for Federal and/or NJ State Taxes, then the Interest Rate will be adjusted accordingly.

The interest is calculated on the actual number of days elapsed over a 360-day year.

**Loan Fee:** \$15,00 (0.50%) Payable in full at closing.

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

**Repayment:** Monthly payments of principal and interest based on a 30-year amortization schedule.

**Guarantor(s):** Not applicable

**Rehabilitation Reserve Advances:**

Advances requested from the rehabilitation reserve will be based on draw applications submitted by the Borrower in accordance with the Loan Documents. Advances shall be available for up to **100% of project costs**, in accordance with the project budget, as accepted by the cost & review plan and approved by the Lender. Verification of work in place and costs to complete will be performed prior to disbursement by the Bank's **third-party** inspector and at the Borrower's cost. Monthly requisitions shall require title updates, work in place certifications from the Borrower, the Architect, and the General Contractor. All disbursements shall be conditioned upon the Loan being in balance, the absence of any Event of Default, including any and all monetary defaults and any non-monetary default which would materially affect the Project, the Borrower, or the Guarantor if not cured, and the satisfaction of the other conditions which will be set forth in the loan documents.

The Bank reserves the right to adjust loan allocations or require additional equity from the Borrower based upon receipt of the plan and cost review conducted by the Bank's engineer. All expenses not covered under the loan funding allocation shall be the responsibility of the Borrower.

**Prepayment:** The prepayment fee schedule will be set as follows:  
3%,3%, 2%,2%,2%,1%,1%,1%,1%,0%; resets with interest rate change

Notwithstanding the above, the Borrower will be permitted to prepay the loan annually up to 10% without penalty, on a non-cumulative basis.

**Standard Covenants:**

The Borrower's covenants will be usual and customary for transactions of this type, to include but not be limited to:

**No Additional Debt:** All collateral securing this obligation shall remain free and clear of any liens or encumbrances, unless prior Bank approval was explicitly granted.

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

**Financial  
Covenants:**

**1) Minimum Debt Service Coverage Ratio**

The Borrower shall generate and maintain Net Operating Income (as hereinafter defined) from the Property that provides for a Minimum Debt Service Coverage (as hereinafter defined) of 1.20x. The Debt Service Coverage Ratio will be measured annually commencing December 31, 2026, and continuing on the same day of each year thereafter until the Loan is paid in full.

“Debt Service Coverage” shall be defined as “Net Operating Income” divided by “Debt Service”.

“Net Operating Income” shall be defined as (a) the gross earnings, including, but not limited to, actual rents and reimbursements collected from the Property but excluding non-recurring items, rent from tenants in default, or one-time gains, including prepaid rent of more than 30 days; and (b) minus actual operating expenses for the Property (without deducting payments for principal or interest on the Loan, capital improvements, depreciation and/or amortization). Operating expenses shall include a minimum of 3% on management fees and \$250/unit for replacement reserves.

For purposes hereof, the term “Debt Service” shall be defined as the scheduled principal and interest payments based on the total loan commitment, the actual fixed interest rate and a 30-year amortization schedule.

**2) On-going Debt Yield Requirement**

On-going debt yield requirement of 9.10% to be tested annually Commencing December 31, 2026. Debt yield is defined as NOI divided by loan balance.

**Deposits:** The Borrower will be required to continue to maintain the operating account for the subject property with the Bank during the term of the loan.

**Reporting  
Requirements:** The Borrower shall provide the Lender; all financial information reasonably requested to aid and assist in the initial underwriting of the Facility as well as for on-going administration. This information shall include but not be limited to:

- a) Borrower to provide accountant prepared audited financial statements within 270 days of the Borrower’s fiscal year end.
- b) Borrower to provide certified annual rent roll for the subject Project.
- c) Such other information (including but not limited to more frequent leasing status updates) as Lender may reasonably require.

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

**Insurance**

**Requirement:** Borrower shall at all times maintain insurance policies with respect to the Project which are satisfactory to Lender, including but not limited to an "All Risk All Peril" policy for at least 100% of the Insurable Value/Replacement Cost of the improvements, rental loss coverage, workers' compensation coverage, Director's and Officer's liability coverage, and if required by Lender, earthquake insurance. Lender shall be named as "Additional Insured" and "Loss Payee" as applicable.

**Events of Default:** Usual and customary for a facility of this nature (after customary notice and cure periods) including but not limited to failure to make payments when due, breach of covenants; breach of representations and warranties or guarantees; restricted transfers, bankruptcy/insolvency of; and judgments and attachments.

**Conditions Precedent to Closing:**

The Facility closing will be subject to usual and customary conditions to closing, including, without limitation, the Lender's receipt, satisfactory review, and acceptance of the following:

- (i) Physical Assessment Needs: Review and acceptance of the Engineer prepared Physical Condition Assessment Report, detailing the immediate rehabilitation project budget and long-term capital reserves required for the Project.
- (ii) Budget, Plan & Cost Review: Review and approval by Lender of a Project cost analysis, inclusive of contingency line-item, and plan and specification review by a third-party architect/engineer engaged by Lender.
- (iii) Appraisal: Receipt, review, and approval by Lender of the Appraisal indicating an "As Stabilized" value reflecting an LTV of no greater than 65%. The cost of the report will be paid for by the Borrower.
- (iv) Environmental: Receipt, review, and approval by Lender of a Phase I Environmental Assessment Report of the site and any further environmental investigation deemed as necessary, prepared by a firm acceptable to the Lender. The cost of the environmental report will be paid for by the Borrower.
- (v) Long-term Capital Reserve: In accordance with the RAD use agreement, a Long-term Capital Reserve shall be established upon completion of the Rehabilitation needs, with initial balances as determined by the engineer prepared Property Condition Report/Reserve Study. **Advance requests against the reserve should be made on the Authority's Letter head and be accompanied with invoices for work completed, an architect sign-off and local permits and approvals when applicable.** Disbursements from the Capital Reserve will be at the sole discretion of the Bank. It should be

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

noted the Bank reserves the right to establish a maximum interest rate to be paid on interest bearing accounts dependent upon economic conditions and the loan interest rate.

- (vi) RAD use Agreement: Receipt and acceptance of the RAD use agreement and Housing Assistance Payment Contract.
- (vii) Borrower Formation: Receipt, review, and approval by Lender of the Borrower's formation documentation.
- (viii) Insurance: Receipt, review and approval by Lender of reasonably satisfactory property and casualty insurance policies, including terrorism insurance, insuring the improvements (and naming Lender as an additional insured or loss payee) in amounts satisfactory to Lender.
- (ix) Leases: Receipt and satisfactory review of all lease agreements, amendments and extensions.
- (x) Survey: Receipt and satisfactory review of a current ALTA survey.
- (xi) Documentation: Legal documentation acceptable to Lender and Borrower including but not limited to all loan documents, and property title reports including title insurance.

**Expenses:** Borrower shall reimburse Lender for all of its reasonable out-of-pocket expenses including but not limited to all underwriting costs, legal costs, appraisal report, property condition report, and environmental reports. Payment by Borrower of such expenses shall be made regardless of whether the Facility closes.

**Due on Sale:** The Facility will be due on sale, assignment, transfer of the property, or transfer or sale of the interests in the Borrower, in whole or in part, except as provided for in the Loan documents.

**Documentation:** The form and substance of all documents and instruments to be delivered to Provident in connection with the closing of the Facility will be satisfactory to the Lender and the Borrower.

**Patriot Act:** To help fight the funding of terrorism and money laundering activities, U.S. Federal law requires financial institutions to obtain, verify and record information that identifies each person or corporation that enter into a business relationship with such institution. Accordingly, when the Borrower enters into a business relationship with Lender, the Borrower will be required to provide certain information to Lender; verification will include (but is not limited to) name, address, corporate tax identification number, date of birth (applicable to individuals) and other information that will allow us to identify the Borrower.

**Penns Grove Housing Authority**  
**Preliminary Summary of Terms and Conditions**  
Senior Secured Financing

---

**Confidentiality:** This Summary of Terms and Conditions is delivered to you with the understanding that neither this term sheet nor any of its terms or substance shall be disclosed, directly or indirectly, to any other person except (a) to your employees, Lenders and advisors who are directly involved in the consideration of this manner, and (b) as disclosure may be compelled in a judicial or administrative proceeding or as otherwise required by law.

**Governing Law:** New Jersey

**Environmental Indemnity:** Borrower shall execute a standard Provident Bank environmental indemnity, which shall survive repayment of the Loan and release of Lender's first mortgage.

If you desire the Bank to proceed with the credit approval process, please sign below and return to me **within 3 days**, with a check payable to the Bank for \$20,000 to cover the cost of conducting our due diligence in connection with our review, analysis and consideration of this loan request. The \$20,000 requested will be held by the Bank and if the loan closes the funds will be applied towards satisfying the Administration Fee(s). If the Bank decides to decline commitment to you, these funds will be refunded to you less out of pocket costs incurred by the Bank in conducting its due diligence. If a commitment is extended to you substantially in accordance with the general outline above (as determined by the Bank in its sole discretion) and you choose not to accept it, then the Bank shall retain the \$20,000.

If the Bank declines to approve the loan for any reason whatsoever, it shall have no liability except for the return of the good faith deposit under the circumstances set forth above.

I look forward to working with you.

Very truly yours,



Robert E Keyes  
Vice President

AGREED TO AND ACCEPTED:

Borrower: The Penns Grove Housing Authority

By: \_\_\_\_\_

Date: \_\_\_\_\_