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March 16, 2026

VIA ECOURTS

Honorable Robert G. Malestein, P.J.Ch.

Gloucester County Superior Court
1 N. Broad Street, Room 203
Woodbury, NJ 08096

RE: In the Matter of the Application of the Township of Deptford
Docket No.: GLO-L-128-25

Dear Judge Malestein:

As Your Honor is aware, this Firm represents the Township of Deptford as affordable housing counsel. Please accept this correspondence in furtherance of the Program's request the Township provide updated information on the pro forma and implementation schedules regarding the two 100% affordable housing projects in the Township's plan, the Hillcrest and Donason Tract sites. Regarding Hillcrest, the Township intends on meeting with developers and finalizing documentation in time for the anticipated Summer State Tax Credit Funding Round. We are attaching the pro forma and letter of our affordable housing expert, Lara Schwager, detailing the schedule. We are also attaching an updated pro forma from the Donason Tract developer.

We thank Your Honor for your attention to this matter.

Respectfully submitted,

William E. Olson

William E. Olson

WEO/ln

Enclosure

cc: All attorneys of record (*via ecourts*)

EXHIBIT A



March 16, 2026

Mr. William Olson, Esq.
Surenian, Edwards, Buzak & Nolan LLC
311 Broadway, Suite A
Point Pleasant Beach, NJ 08742

Dear Mr. Olson,

Deptford Township will be authorizing a Request for Qualifications for the Hillcrest Tract which is in the Township's Housing Element and Fair Share Plan as a municipally sponsored 100% affordable housing community consisting of 76 units.

The project is intended to be financed through the NJHMFA State Tax Credit Program and 4% Low Income Tax Housing Tax Credits. The proforma previously provided in my November 12, 2025, report for this property remains unchanged and is still a realistic financial model for the property.

The schedule, however, has been updated by NJHMFA. NJHMFA intends to have a 2nd auction for the sale of the tax credits. The auction will take place between April 15 and May 15, 2026. Based on this schedule applications for the program are expected to open Summer 2026. Since there is not an actual submission date for the program, the below is a proposed timeline:

RFP process/developer selection – April – May 2026
NJHMFA submission/award for State Tax Credits – June-August 2026
Site plan and outside agency approvals process – June 2026– March 2027
NJHMFA Final commitment and closing – March 2027 – July 2027
Construction period (18 months) – August 2027 – February 2029

Sincerely,

A handwritten signature in blue ink, appearing to read "Lara Schwager". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Lara Schwager
Founding Principal
LJS Consulting, LLC

LARA SCHWAGER
LJS CONSULTING & DEVELOPMENT
(o) 609- 692-8672
lara@ljsconsultingdev.com

General Information

St. Francis Woods
Deptford, NJ

Deal Information			
Name of Property	St. Francis Woods		
Address	Caulfield Ave		
City	Deptford		
County	Gloucester		
State	NJ		
Type of Deal (Rehab/NC)	Suburban		
Number of Units	74		
Acquisition Credit Percentage	4.00%	(Fixed 4%)	
Construction/Rehab Credit %	4.00%	(Fixed 4%)	
QCT or DDA?	No		

Building Information			
Total RSF:	48,900		
Common Area:	22,494	Mech/Storage/Circ	
Common Area:	0		
Community Rm, Office	0		
Total SF	71,394	31.51%	
Site area (acres)	5	(14.8 units/acre)	
# Buildings	1		
Type	Corridor		
# Stories	4		
Parking Spaces	76	(1.03 /unit)	

Unit Matrix							
	Studio	1BR	2BR	3BR	4BR	Total	%
20% Units	-	5	-	-	-	5	7%
30% Units	-	5	1	-	-	6	8%
40% Units	-	-	-	-	-	0	0%
50% Units	-	25	1	-	-	26	35%
60% Units	-	35	2	-	-	37	50%
Market Units	-	-	-	-	-	0	0%
Total	-	70	4	-	-	74	
%	0%	95%	5%	0%	0%		

Timing			
Application Deadline	None		
Date of Allocations	None		
Date of Acquisition	9/1/2026		
Date of Anticipated Closing	9/1/2026		
First Unit Leased	3/1/2028	18	mos.
Construction Completion	3/1/2028	0	mos.
Last Unit Leased	10/1/2028	7	mos.
Conversion to Perm Financing	5/1/2029	7	mos.
Total Construction Period		32	mos.

Sources/Uses of Funds				
	Provider	Amount	\$/unit	%
Permanent Term (NOTE A)	NJHMFA	1,950,000	26,351	8%
LIHTC Equity	TBD	7,571,107	102,312	32%
Total Deferred Fee		1,369,449	18,506	6%
NJHMFA STCS	NJHMFA STCS	10,000,000	135,135	43%
NJHMFA SNHTF	NJHMFA SNHTF	750,000	10,135	3%
NJHMFA MFP	NJHMFA MFP	750,000	10,135	3%
Deptford AHTF	Deptford AHTF	970,000	13,108	4%
Total Sources of Funds		\$23,360,556	315,683	
Acquisition Costs		10	0	0%
Title/Recording		120,000	1,622	1%
Construction Costs		15,408,665	208,225	66%
Arch/Engineering/Green		864,000	11,676	4%
Municipal/Approval Fees		480,600	6,495	2%
Legal		170,000	2,297	1%
Misc. Soft Costs		476,207	6,435	2%
Lease-up & Marketing		50,000	676	0%
Financing/Loan Fees		1,642,172	22,192	7%
State Agency Fees		461,915	6,242	2%
Reserves		752,455	10,168	3%
Development Fee		2,934,534	39,656	13%
Total Uses of Funds		\$23,360,556	315,683	
Shortfall/Surplus			(0)	

Year 1 Income/Expense			
	Total	Per Unit	
Gross Potential Income	889,116	12,015	
Vacancy (Residential)	(44,456)	(601)	5.0%
Other Income	-	-	
Effective Gross Income	\$844,660	\$11,414	
Administrative	84,500	1,142	
Salaries	181,610	2,454	
Maint. & Repairs	48,000	649	
Maint. Contracts	64,633	873	
Utilities	90,000	1,216	
Management Fee	67,488	912	
Real Estate Taxes	22,640	306	
Insurance	73,996	1,000	
Replacement Reserve	32,560	440	
Total Expenses	\$665,427	\$8,992	
Controllable		6,030	
Fixed		2,962	
NOI	\$179,233		
Debt Service	\$140,291		
Net Cash Flow	\$38,942		

Debt Information					
	Amount	Interest	Term (mo)	Amort (mos)	Fixed/Float
Construction Debt (Conv)	16,250,000	6.25%	24	n/a	Floating
Bond Information					
A Piece (Perm)	1,950,000	6.20%	384	384	Fixed
B Piece	4,500,000	4.05%	9	n/a	Fixed
Total TE Bonds:	6,450,000				
% of Cost	29.4%				

LIHTC Information			
	Acquisition	Construction	Total
Eligible Basis	-	20,801,848	20,801,848
Allocation	-	832,073	832,073
Pricing	\$0.91		

St. Francis Woods - Donason Tract Project Development Timeline

	Task/Activity	Anticipated Completion
1	Execute Contracts with Professionals	3/1/26
2	Survey / Wetlands	4/15/26
3	Revise Developer Agreement/HTF Agreement; Adopt PILOT Resolution and Enter into PILOT Agreement	4/30/26
4	Test Pits	5/1/26
5	Civil Drawings/Arch Concept Drawings completed and ready for PB submission	6/15/26
6	Apply to HMFA for Part I (Declaration of intent) - STCS Program & TEB financing	6/15/26
7	Site Plan Application (Preliminary & Final)	July/August 2026
8	Receive DOI	8/31/26
9	Site Plan Approval - August/September	August/Sept. 2026
10	Submit for Outside Agency Approvals	9/15/26
11	Memorialization of Site Plan Resolution	10/15/26
12	Final Architectural Drawings Complete	10/15/26
13	Apply to HMFA for Part II (Recommitment) - STCS Program & TEB financing	10/31/26
14	Full HMFA Financing Commitment	2/15/2027
15	Receipt of Outside Agency approvals	3/15/27
16	Application for 4% LIHTCs (42m Letter) Financial Closing and Comencement of	4/15/27
17	Construction	6/15/27
18	Construction Completion	12/15/28

General Information

Hillcrest Avenue Family
Deptford, NJ

Deal Information	
Name of Property	Hillcrest Avenue Family
Address	Hillcrest Avenue
City	Deptford
County	Gloucester
State	NJ
Type of Deal (Rehab/NC)	Suburban
Number of Units	76
Acquisition Credit Percentage	4.00% (Fixed 4%)
Construction/Rehab Credit %	4.00% (Fixed 4%)
QCT or DDA?	Yes

Building Information	
Total RSF:	69,112
Common Area:	7,489 Mech/Storage
Common Area:	7,602 Circ
Community Rm, Office	2,400
Total SF	86,603 20.20%
Site area (acres)	??
# Buildings	4
Type	Flats
# Stories	3
Parking Spaces	152 (2 /unit)

Unit Matrix						
	Studio	1BR	2BR	3BR	4BR	Total %
20% Units	-	3	2	-	-	5 7%
30% Units	-	-	3	2	-	5 7%
40% Units	-	-	-	-	-	0 0%
50% Units	-	4	18	6	-	28 37%
60% Units	-	7	23	8	-	38 50%
Market Units	-	-	-	-	-	0 0%
Total	-	14	46	16	-	76
%	0%	18%	61%	21%	0%	

Timing	
Application Deadline	None
Date of Allocations	None
Date of Acquisition	12/1/2026
Date of Anticipated Closing	12/1/2026
First Unit Leased	6/1/2028 18 mos.
Construction Completion	6/1/2028 0 mos.
Last Unit Leased	1/1/2029 7 mos.
Conversion to Perm Financing	8/1/2029 7 mos.
Total Construction Period	32 mos.

Sources/Uses of Funds				
	Provider	Amount	\$/unit	%
Permanent Term (NOTE A)	NJHMFA	3,774,000	49,658	14%
LIHTC Equity	TBD	11,403,615	150,048	41%
Total Deferred Fee		1,616,724	21,273	6%
NJHMFA STCS	NJHMFA STCS	10,000,000	131,579	36%
NJHMFA SNHTF	NJHMFA SNHTF	750,000	9,868	3%
-	-	-	-	0%
-	-	-	-	0%
Total Sources of Funds		\$27,544,339	362,426	
Acquisition Costs		10	0	0%
Title/Recording		125,000	1,645	0%
Construction Costs		18,463,827	242,945	67%
Arch/Engineering/Green		855,000	11,250	3%
Municipal/Approval Fees		556,000	7,316	2%
Legal		150,000	1,974	1%
Misc. Soft Costs		533,591	7,021	2%
Lease-up & Marketing		75,000	987	0%
Financing/Loan Fees		1,937,120	25,488	7%
State Agency Fees		527,399	6,939	2%
Reserves		858,202	11,292	3%
Development Fee		3,463,190	45,568	13%
Total Uses of Funds		\$27,544,339	362,426	
Shortfall/Surplus		(0)		

Year 1 Income/Expense		
	Total	Per Unit
Gross Potential Income	1,045,920	13,762
Vacancy (Residential)	(73,214)	(963) 7.0%
Other Income	-	-
Effective Gross Income	\$972,706	\$12,799
Administrative	68,878	906
Salaries	150,150	1,976
Maint. & Repairs	50,000	658
Maint. Contracts	59,367	781
Utilities	97,000	1,276
Management Fee	69,312	912
Real Estate Taxes	54,994	724
Insurance	59,656	785
Replacement Reserve	33,440	440
Total Expenses	\$642,797	\$8,458
<i>Controllable</i>		5,233
<i>Fixed</i>		3,225
NOI	\$329,909	
Debt Service	\$264,079	
Net Cash Flow	\$65,830	

Debt Information					
	Amount	Interest	Term (mo)	Amort (mos)	Fixed/Float
Construction Debt (Conv)	20,000,000	6.25%	24	n/a	Floating
Bond Information					
A Piece (Perm)	3,774,000	5.95%	384	384	Fixed
B Piece	2,700,000	4.35%	10	n/a	Fixed
Total TE Bonds:	6,474,000				
% of Cost	25.0%				

LIHTC Information			
	Acq	Construction	Total
Eligible Basis	-	31,679,879	31,679,879
Allocation	-	1,267,195	1,267,195
Pricing	\$0.90		

24,569,413

323,281.75 NJHMFA TDC Calculation