



Legislation Details (With Text)

File #: 14-0399 **Version:** 2 **Name:** Alpha Drive, LLC First Amended Restated Agreement
Type: Resolution **Status:** Filed
File created: 3/20/2014 **In control:** Economic and Housing Development
On agenda: 7/1/2015 **Final action:** 7/1/2015

Title: Dept/ Agency: Economic & Housing Development
Action: (X) Ratifying (X) Authorizing (X) Amending
Type of Service: Amendment/Assignment to Affordable Housing Agreement authorized by Resolution 7R3-E Adopted on August 1, 2012
Purpose: Assign and Amend the name of the project to be funded with HOME program funds, amend the address of the project, amend the duration of the Agreement to complete the project, and incorporate the applicable regulations promulgated under the HOME INVESTMENT PARTNERSHIPS PROGRAM 24 CFR Part 92, Final Rule, September 16, 1996, and as amended on July 24, 2013.
Entity Name: Alpha Drive, LLC
Entity Address: 581-583 Dr. Martin Luther King Jr. Blvd, Newark, New Jersey 07102
Grant Amount: \$500,000.00
Funding Source: HOME Program Funds
Contract Period: Amended to August 1, 2012 through December 1, 2015
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale () Grant () Sub-recipient (x) n/a
List of Property: (if applicable)
(Address/Block/Lot/Ward)
581 and 583 Dr. Martin Luther King Jr. Blvd/Block 2507/Lot(s) 55 & 56/Central Ward
Additional Information:
This resolution also is an assignment of the Affordable Housing Agreement between the City of Newark and High Street Heights, LLC to Alpha Drive, LLC , the new entity.

Sponsors: Gayle Chaneyfield Jenkins, John Sharpe James

Indexes:

Code sections:

| Date | Ver. | Action By | Action | Result |
|----------|------|-------------------|--------|--------|
| 7/1/2015 | 2 | Municipal Council | Adopt | Pass |

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581 and 583 Dr. Martin Luther King Jr. Blvd/Block 2507/Lot(s) 55 & 56/Central Ward

Additional Information:

This resolution also is an assignment of the Affordable Housing Agreement between the City of Newark and High Street Heights, LLC to Alpha Drive, LLC , the new entity.

WHEREAS, pursuant to Resolution 7R3-E adopted on August 1, 2012, the Municipal Council authorized the Deputy Mayor/Director of the Department of Economic and Housing Development on behalf of the City of Newark, to enter into and execute an Affordable Housing Agreement with High Street Heights, LLC, of 580 Dr. Martin Luther King Jr. Blvd, Newark, New Jersey 07102, to subsidize the rehabilitation costs of five (5) of the twelve (12) units of permanent supportive housing located at 577-579 Dr. Martin Luther King, Jr. Blvd. (Block 2507, Lot 19) and 581-583 Dr. Martin Luther King, Jr. Blvd. (Block 2507, Lot 55&56); (Central Ward), Newark, New Jersey 07102, in an amount not to exceed \$500,000.00, for a term of August 1, 2012 to March 30, 2014; and

WHEREAS, this Affordable Housing Agreement has been extended once by the Director of Economic and Housing Development upon request by the Developer, for a revised expiration date of March 30, 2015, as permitted under Resolution 7R3-E adopted on 080112; and

WHEREAS, Section 25 of the Affordable Housing Agreement authorized by Resolution 7R3-E authorizes High Street Heights, LLC to assign any interest in the Affordable Housing Agreement and the HOME program funds upon written notice to the Department of Economic and Housing Development and subject to the prior approval of the Municipal Council; and

WHEREAS, on March 18, 2014, High Street Heights, LLC entered into and executed an agreement assigning to Alpha Drive, LLC, an entity that is under common ownership and control of High Street Heights, LLC, its rights, title and interest in the Affordable Housing Agreement authorized by Resolution 7R3-E adopted on August 1, 2012 and Alpha Drive, LLC agreed to assume all obligations, responsibilities and duties of High Street Heights, LLC under said Affordable Housing Agreement; and

WHEREAS, the City and Alpha Drive, LLC have negotiated a First Amended and Restated Affordable Housing Agreement in order to modify certain terms and conditions of the Affordable Housing Agreement; and

WHEREAS, pursuant to the First Amended and Restated Affordable Housing Agreement, Alpha Drive, LLC and the City have agreed to: (i) change the duration of the Affordable Housing Agreement from August 1, 2012 through March 30, 2014 to August 1, 2012 through December 1, 2015; (ii) change the address of the Project to read 581 and 583 Dr. Martin Luther King Jr. Blvd. (Block 2507, Lots 55 & 56) (Central Ward); (iii) change the name of the project to read Alpha Drive Supportive Housing Project; and (iv) incorporate the applicable regulations promulgated under the HOME INVESTMENT PARTNERSHIPS PROGRAM 24 CFR Part 92, Final Rule, September 16, 1996, and as amended on July 24, 2013; and.

WHEREAS, of the total amount of Five Hundred Thousand Dollars (\$500,000.00) in HOME Program funds awarded to the Project, Eighty Nine Thousand Thirty Four Dollars and Seventy One Cents (\$89,034.71) have been expended to date, leaving a balance of Four Hundred Ten Thousand Nine Hundred Sixty-Five Thousand Dollars and Twenty Nine Cents (\$410,965.29).

NOW THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY THAT:

- 1) The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, are hereby ratified and authorized to amend Resolution 7R3-E, adopted on August 1, 2012, and enter into and execute an First Amended and Restated Affordable Housing Agreement, in the form attached hereto, with Alpha Drive, LLC, of 580 Dr. Martin Luther King Jr. Blvd, Newark, New Jersey 07102 in an amount not to exceed \$500,000.00, for a project known as Alpha Drive Supportive Project, for the period of August 1, 2012 through December 1,2015.
- 2) The HOME funds are to subsidize the rehabilitation of costs of five (5) of the six (6) units within the rental project located at 581 and 583 Dr. Martin Luther King Jr. Blvd. (Block 2507, Lots 55 & 56) (Central Ward). The HOME assisted units must remain affordable to very low income households for a period of fifteen (15) years pursuant to the requirements under the HOME Program (24 CFR Part 92).
- 3) The First Amended and Restated Affordable Housing Agreement between the City of Newark and the Alpha Drive, LLC is hereby ratified from March 30, 2015 to the date of adoption of this authorizing resolution.
- 4) The Municipal Council hereby ratifies its authorization of the assignment agreement between High Street Heights, LLC and Alpha Drive, LLC from March 18, 2014 to the date of adoption of this authorizing resolution.
- 5) No additional City funds are required for the First Amended and Restated Affordable Housing Agreement.
- 6) Except as amended herein, all other terms and conditions of Resolution 7R3-E adopted on August 1, 2012 shall remain in full force and effect.
- 7) A fully executed copy of the First Amended and Restated Affordable Housing Agreement shall be filed in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic & Housing Development.

STATEMENT

This resolution ratifies and authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic & Housing Development, to enter into and execute a First Amended and Restated Affordable Housing Agreement with Alpha Drive, LLC in an amount not to exceed \$500,000.00, for a project known as Alpha Drive Supportive Project, for the period of August 1, 2012 through December 1, 2015. This resolution further ratifies the assignment agreement between High

Street Heights, LLC and Alpha Drive, LLC from March 18, 2014 to the date of adoption of this authorizing resolution.