



Legislation Details (With Text)

File #: 17-0916 **Version:** 1 **Name:** Somerset Brownstones Tax Abatement
Type: Ordinance **Status:** Adopted
File created: 5/5/2017 **In control:** Economic and Housing Development
On agenda: 10/4/2017 **Final action:** 10/18/2017

Title: AN ORDINANCE AMENDING ORIGINAL ORDINANCE 6PSF-B(S) APRIL 30, 2012, TAX ABATEMENT GRANTED TO SOMERSET BROWNSTONES URBAN RENEWAL ASSOCIATES, LLC, 3 EAST STOW ROAD, MARLTON, NEW JERSEY 08053, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, TO CHANGE THE ANNUAL SERVICE CHARGE FROM 6.28% OF ANNUAL GROSS REVENUE TO 5% OF ANNUAL GROSS REVENUE FOR AN AFFORDABLE HOUSING PROJECT, INCLUDING, BUT NOT LIMITED TO THE CONSTRUCTION OF FOUR (4) THREE-STORY BROWNSTONE-STYLE TOWNHOMES, CONTAINING A TOTAL OF APPROXIMATELY SIXTY (60) RENTAL HOUSING UNITS, LOCATED AT 25-49 SOMERSET STREET AND IDENTIFIED ON THE CITY'S TAX MAPS AS BLOCK 2556, LOT 1.02 (CENTRAL WARD)

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
10/18/2017	1	Municipal Council	Close on Public Hearing and Adopt	Pass
10/4/2017	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE AMENDING ORIGINAL ORDINANCE 6PSF-B(S) APRIL 30, 2012, TAX ABATEMENT GRANTED TO SOMERSET BROWNSTONES URBAN RENEWAL ASSOCIATES, LLC, 3 EAST STOW ROAD, MARLTON, NEW JERSEY 08053, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, TO CHANGE THE ANNUAL SERVICE CHARGE FROM 6.28% OF ANNUAL GROSS REVENUE TO 5% OF ANNUAL GROSS REVENUE FOR AN AFFORDABLE HOUSING PROJECT, INCLUDING, BUT NOT LIMITED TO THE CONSTRUCTION OF FOUR (4) THREE-STORY BROWNSTONE-STYLE TOWNHOMES, CONTAINING A TOTAL OF APPROXIMATELY SIXTY (60) RENTAL HOUSING UNITS, LOCATED AT 25-49 SOMERSET STREET AND IDENTIFIED ON THE CITY'S TAX MAPS AS BLOCK 2556, LOT 1.02 (CENTRAL WARD)

WHEREAS, on April 30, 2012, the Newark Municipal Council adopted Ordinance 6PSF-b(S) (the "Ordinance", a copy of which is attached hereto as Exhibit A) granting a thirty (30) year tax abatement to Somerset Brownstones Urban Renewal Associates, LLC, a New Jersey Urban Renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. (the "Long Term Tax Exemption Law"), with an address of 3 East Stow Road, Marlton, New Jersey 08053 (the "Entity"), for an affordable housing project, including, but not limited to the construction of four (4), three-story brownstone-style townhomes containing a total of approximately sixty (60) rental housing units, located at 25-49 Somerset Street, Newark, New Jersey and identified on the City tax map as Block 2556, Lot 1.02 (Central Ward) (the "Project"); and

WHEREAS, the Parties entered into a certain Financial Agreement, dated August 15, 2012, (the “Original Financial Agreement”, a copy of which is attached hereto as Exhibit B.) and together with this Amendment No. 1 to the Financial Agreement, (are collectively referred to as the “Financial Agreement”); and

WHEREAS, the Annual Service Charge under the Original Financial Agreement is 6.28% of Annual Gross Revenue; and

WHEREAS, the Entity intends to apply to the New Jersey Housing and Mortgage Finance Agency (“HMFA”) for a nine percent (9%) Low and Moderate Housing Tax Credit (“9% Tax Credit”); and

WHEREAS, the Entity has requested that the Annual Service Charge be reduced to 5% of Annual Gross Revenue in order to for its tax credit application to be competitive pursuant to the HMFA tax credit program; and

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

1. The application of Somerset Brownstones Urban Renewal Associates, LLC, requesting to change the Annual Service Charge from 6.28% of Annual Gross Revenue to 5% of Annual Gross Revenue for a period of eighteen (18) years is hereby approved for property located at 25-49 Somerset Street, Newark, New Jersey, Block 2556, Lot 1.02 (Central Ward).

2. The Mayor of the City of Newark is hereby authorized to execute, on the City’s behalf, the Amendment No. 1 to Financial Agreement in the form attached hereto as Exhibit C.

3. An executed copy of Amendment No. 1 to Financial Agreement authorized by this ordinance shall be filed and maintained with the City Clerk.

4. The Entity shall, in the operation of the Project, comply with all laws so that no person shall be subject to any discrimination because of race, religious principles, color, national origin or ancestry.

5. The Entity shall file an employment report (herein described below) with the Office of Affirmative Action who shall forthwith after receiving the report send a copy thereof to the City Clerk and the Office of Affirmative Action, shall forthwith investigate the matters contained therein and report its findings to the Municipal Council.

6. The adoption of this ordinance is expressly conditioned upon the requirement that the Entity pay the City all outstanding taxes and/service charges, and water/sewer charges within thirty (30) days of the date of the adoption of this ordinance. If the Entity fails to timely satisfy these requirements, this ordinance and the approval granted herein shall be null and void.

7. This ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance grants the application of Somerset Brownstones Urban Renewal Associates, LLC, 3 East Stow Road, Marlton, New Jersey 08053, a New Jersey Urban Renewal entity qualified to do business under the provisions of the Long Term Tax Exemption Law as amended and supplemented, N.J.S.A. 40A:20-1, et seq. to change the Annual Service Charge from 6.28% of Annual Gross Revenue to 5% of Annual Gross Revenue for an affordable housing project, including, but not limited to the construction of four , three- story brownstone-style townhomes containing a total of approximately sixty (60) rental housing units, located at 25-49 Somerset Street and identified on the City's tax map as Block 2556, Lot 1.02 (Central Ward).