



Legislation Details (With Text)

File #: 21-1723 **Version:** 1 **Name:** Release of Property Restrictions (St. Luke/Clinton Equities)
Type: Ordinance **Status:** Adopted
File created: 11/22/2021 **In control:** Economic and Housing Development
On agenda: 9/8/2022 **Final action:** 10/5/2022

Title: AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO EXECUTE A RELEASE OF DEED RESTRICTION AND RIGHT OF REVERTER AND QUITCLAIM DEED, TO BE RECORDED, FOR THE PROPERTY LOCATED AT 8 MURRAY STREET, KNOWN ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2819, LOT 21, AS IT PERTAINS TO THE CITY OF NEWARK'S SALE OF THE PROPERTY TO ST. LUKE COMMUNITY MULTI-PURPOSE OUTREACH CENTER, INC., AUTHORIZED BY ORDINANCE 6S&Fd, ADOPTED ON JANUARY 4, 2006.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
10/5/2022	1	Municipal Council	Close on Public Hearing and Adopt	Pass
9/21/2022	1	Municipal Council	Adopt on First Reading	Pass
9/8/2022	1	Municipal Council	Advance to First Reading	Pass

AN ORDINANCE AUTHORIZING THE MAYOR OF THE CITY OF NEWARK, AND/OR HIS DESIGNEE, THE DEPUTY MAYOR/DIRECTOR OF THE DEPARTMENT OF ECONOMIC AND HOUSING DEVELOPMENT TO EXECUTE A RELEASE OF DEED RESTRICTION AND RIGHT OF REVERTER AND QUITCLAIM DEED, TO BE RECORDED, FOR THE PROPERTY LOCATED AT 8 MURRAY STREET, KNOWN ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2819, LOT 21, AS IT PERTAINS TO THE CITY OF NEWARK'S SALE OF THE PROPERTY TO ST. LUKE COMMUNITY MULTI-PURPOSE OUTREACH CENTER, INC., AUTHORIZED BY ORDINANCE 6S&Fd, ADOPTED ON JANUARY 4, 2006.

WHEREAS, in order to stimulate the reinvigoration of the City of Newark (the "City") , the Municipal Council by Resolution 7Rdo(A.S.) adopted on June 15, 2005, designated the entire City of Newark as an area in need of rehabilitation pursuant to the to the Local Redevelopment and Housing Law N.J.S.A. 40A: 12A-1, et seq. (the "Act"); and

WHEREAS, by Ordinance 6S&Fd, adopted on January 4, 2006 (the "Ordinance") the Municipal Council authorized the Mayor of the City of Newark and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a contract for the Private Sale of Land for Redevelopment (Nominal Consideration) (the "Contract") with St. Luke Community Multi-Purpose Outreach Center Inc., a duly incorporated nonprofit organization of the State of New Jersey (the "St. Luke Outreach Center"), subject to the provisions of the "Nominal Sale" statute as set forth in N.J.S.A. 40A:12-21(k), for the property located at 8 Murray Street, also referred

to as Block 2819, Lot 21 (the “Restricted Property”); and

WHEREAS, the Contract was fully executed on or about March 1, 2006, and the Restricted Property was subsequently transferred to St. Luke Outreach Center subject to certain terms and restrictions; and

WHEREAS, the Ordinance, Contract, and Deed contained restrictions affecting the use of the Restricted Property, which required St. Luke Outreach Center to continue to use the Restricted Property for the benefit of the community by providing educational, recreation, medical, or social services to the general public in exchange for City owned property, otherwise the Restricted Property would revert to the City (the “Restrictions”); and

WHEREAS, St. Luke A.M.E. Church and St. Luke Outreach Center are the owners (the “Owners”) of 144 Clinton Avenue, also referred to as Block 2819, Lot 22, the Restricted Property, and 10 Murray Street, also referred to as Block 2819, Lot 20, and have entered into a long-term lease agreement with Clinton Equities, LLC (the “Redeveloper”) for same; and

WHEREAS, Redeveloper owns 138-140 Clinton Avenue, also referred to as Block 2819, Lot 26; 142 Clinton Avenue, also referred to as Block 2819, Lot 24; and 79-81 Brunswick Street, also referred Block 2819, Lot 15 (the “Properties”); and

WHEREAS, the Redeveloper desires to redevelop the Properties, inclusive of the Restricted Property, into a new mixed-use multi-family building, consisting of six (6) stories, containing seventy-one (71) residential units, two (2) commercial spaces, twenty-six (26) parking spaces on the ground floor, and a 1,250 square feet community space to be dedicated to St. Luke Outreach (the “Project”) for the uses noted in the proposal, submitted by Redeveloper, dated March 3, 2021 (the “Proposal”), including, but not limited to senior citizen gatherings, food distribution, library space, computer training, and medical service programs (the “Uses”); and

WHEREAS, the City has determined that the redevelopment of the Properties and Restricted Property will contribute to the reinvigoration of the City; and

WHEREAS, since the Restricted Property contains Restrictions, the Redeveloper’s Proposal included a request for the City’s consent to the Project; and

WHEREAS, the City wants the Restricted Property to continue to operate for the benefit of the community as required by the Ordinance, Contract and Deed; and

WHEREAS, pursuant to N.J.S.A. 40A:12A-8(f), the City is authorized to arrange or contract with redevelopers for the planning, re-planning, construction or undertaking of any redevelopment project; and

WHEREAS, the City desires the Restricted Property to provide additional benefit to the community by providing affordable units; and

WHEREAS, Redeveloper has agreed to provide twenty (20) residential units as affordable as follows: ten (10) units at 80% area median income, five (5) units at 60% area median income; and five (5) units at 40% area median income (“Affordable Units”), which is six (6) more units than what is required under the current applicable ordinances and the Redevelopment Plan; and

WHEREAS, in exchange for becoming a designated “redeveloper” of the Restricted Property for the construction of the Project and committing to build an additional six (6) affordable housing units, for a total of twenty (20) affordable units, the City is willing to release the Restrictions, waive its Reversionary Rights under N.J.S.A. 40A:12-21, and execute a quit claim deed in that regard; and

WHEREAS, since the City has determined that the designated community space within the Project, for St. Luke Outreach Center and the intended Uses of said space, is consistent with the Restrictions of the Ordinance, Contract, and Deed, and there is an added benefit to the community of affordable units, it is appropriate for the City to execute the Release of Deed Restriction and Right of Reverter and Quit Claim Deed.

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

1. The Mayor of the City of Newark, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to execute the following, for the property located at 8 Murray Street, Block 2819, Lot 21, subject to the approval of the City of Newark’s Corporation Counsel: (a) the Release of Deed Restriction and Right of Reverter in substantially the form attached hereto as Exhibit 1; and (b) the Quitclaim Deed, in substantially the form attached hereto as Exhibit 2, which shall be recorded in the Essex County Register’s Office.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Release of Deed Restriction and Right of Reverter and Quitclaim Deed for the Property and may enter into any related documents, which may be necessary in order to effectuate same.

3. The Deputy Mayor/Director of the Department of Economic and Housing Development shall place a copy of the executed Release of Deed Restriction and Right of Reverter and Quitclaim Deed, together with this Ordinance on file in the Office of the City Clerk.

STATEMENT

This Ordinance authorizes the Mayor of the City of Newark, and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to execute a Release of Deed Restriction and Right of Reverter and Quit Claim Deed for the property located at 8 Murray Street, Newark, New Jersey, Block 2819, Lot 21, in the form attached hereto, with respect to the Restrictions outlined in Ordinance 6S&Fd, adopted on January 4, 2006.