



Legislation Details (With Text)

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**File created:** 12/27/2012      **In control:** Economic and Housing Development  
**On agenda:** 8/7/2013      **Final action:** 8/7/2013

**Title:** Dept/ Agency: Economic & Housing Development  
Action:  Ratifying  Authorizing  Amending  
Type of Service: Agreement with Sub-recipient  
Purpose: Provide NSP3 grant funds to subsidize the Project known as the Vailsburg Prospects (the "Project") which consists of the acquisition and/or rehabilitation of three vacant and/or abandoned and/or foreclosed properties to be made affordable to individuals or families whose incomes do not exceed 120% of AMI  
Entity Name: Unified Vailsburg Services  
Entity Address: 42 Richelieu Terrace, Newark, New Jersey 07106  
Grant Amount: \$150,000.00  
Funding Source: United States Department of Housing and Urban Development  
Contract Period: November 1, 2012 through August 31, 2013  
Contract Basis:  Bid  State Vendor  Prof. Ser.  EUS  
 Fair & Open  No Reportable Contributions  RFP  RFQ  
 Private Sale  Grant  Sub-recipient  n/a  
List of Property: (If applicable)  
(Address/Block/Lot/Ward)  
123-125 Lindsley Avenue/ Block 4067/Lot 38/West Ward  
30 Alexander Street/ Block 4057/Lot 19/West Ward  
61-63 Brookdale Avenue/Block 4065/Lot 63/West Ward

Additional Information:  
Funds applied for and accepted by Resolution7R3-N (AS) 021611

**Sponsors:**

**Indexes:**

**Code sections:**

Date	Ver.	Action By	Action	Result
8/7/2013	1	Municipal Council	Adopt	Pass

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**WHEREAS**, the United States Department of Housing and Urban Development (HUD) under Section 1497 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Pub. L. 111-203, approved July 21, 2010) (Dodd Frank Act) made Neighborhood Stabilization Program 3 (NSP3) funds available through a direct allocation to states and entitlement communities for eligible housing activities to be made affordable to individuals or families whose incomes do not exceed 120% of Area Medium Income (AMI); and

**WHEREAS**, in its Notice of Allocations, Regulatory Waivers Granted to and Alternative Requirements and Statutory Program Requirements for the Dodd Frank Act (the "Notice"), HUD published detailed requirements relating to the implementation of the Dodd Frank Act; and

**WHEREAS**, the use of NSP3 funds are governed by the rules related to the Community Development Block Grant ("CDBG") Program established pursuant to Title I of the Housing and Community Development Act of 1974, Public Law 93-383, as amended, and as modified by the Dodd Frank Act and the Notice; and

**WHEREAS**, through Resolution 7R3N (AS) adopted on February 16, 2011, the City of Newark submitted a Substantial Amendment of its 2010 Annual Action Plan to HUD for the direct allocation of NSP3 funding in the amount of Two Million, Eighteen Thousand, Six Hundred and Thirty Seven Dollars and Zero Cents (\$2,018,637.00); and

**WHEREAS**, the Department of Economic and Housing Development, Division of Housing and Real Estate (hereinafter referred to as "DHRE") released to the public a Request For Proposal (RFP) on September 11, 2012 through the Fair and Open Process in accordance with The New Jersey "Local Unit Pay-to-Play" Law N.J.S.A. 19:44A-20.4 *et seq.*; and

**WHEREAS**, DHRE has determined that it is in the best interest of the City to accept the Proposal received from Unified Vailsburg Services (hereinafter referred to as the "Sub-recipient"), located at 42 Richelieu Terrace, Newark, New Jersey 07106 and enter into a NSP3 agreement (the "Agreement") with the Sub-recipient for an amount not to exceed One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00) to subsidize the Project known as the Vailsburg Prospects (the "Project") which consists of the acquisition and/or rehabilitation of three vacant and/or abandoned and/or foreclosed properties to be made affordable to individuals or families whose incomes do not exceed 120% of AMI; and

**WHEREAS**, the properties acquired with NSP3 funds under the Vailsburg Prospects must comply with the HOME Program affordability requirements as set forth in 24 CFR Part 92.254, which ensures, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or

redevelopment of abandoned and foreclosed-upon homes and residential properties under this section remain affordable to individuals or families whose incomes do not exceed 120 % of AMI; and

**WHEREAS**, the Agreement shall be for the period commencing on November 1, 2012 and terminating no later than August 31, 2013.

**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 authorized to enter into and execute a NSP3 agreement (the "Agreement") with the Unified Vailsburg Services (hereinafter referred to as the "Sub-recipient"), located at 42 Richelieu Terrace, Newark, NJ 07106 for an amount not to exceed One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00) to subsidize the Project known as the Vailsburg Prospects (the "Project") which consists of the acquisition and/or rehabilitation of three vacant and/or abandoned and/or foreclosed properties to be made affordable to individuals or families whose incomes do not exceed 120% of AMI.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development hereby certifies that the procurement, obligation, expenditure and use of the United States Department of Housing and Urban Development's NSP3 grant funds hereby complies with all Federal, State and Local laws, regulations and restrictions including, but not limited to, the Home Investment Partnership Programs and the Community Development Block Grant Programs.
3. The Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to establish a declaration of covenants, conditions and restrictions, as permitted under the law. Said covenants, conditions and restrictions shall run with the land and bind the Sub recipient and any subsequent purchasers and owners, their heirs, executors, administrators and assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns with this agreement, mortgage and mortgage note for the period indicated below, to ensure compliance with the requirements of the NSP program, pursuant to the HOME program statute and regulations (24 CFR Part 92):

NSP Funds	Periods of Affordability
< \$15,000	5 Years
\$15,000 - \$40,000	10 Years
>\$40,000	15 Years
New construction or Acquisition of new housing	20 Years

4. The Agreement shall be for the period, commencing on November 1, 2012 and terminating no later than August 31, 2013.
5. The Municipal Council hereby ratifies this Agreement from November 1, 2012 to the date of adoption of this authorizing resolution.

6. The Sub-recipient must adhere to all milestones and timelines in the Project Schedule. The property must conform to the City of Newark Design Guidelines for rehabilitation, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Sub-recipient fail to complete the Project pursuant to the approved milestones and timelines, then the City, in its sole discretion, in addition to any other remedy available by the Agreement or as allowed by law, may direct the Sub-recipient to repay all NSP3 program funds expended on the project back to the City.
7. The Sub-Recipient shall have 9 months from the commencement date within which to expend the funds or become contractually obligated to expend the funds for the performance of rehabilitation and/or redevelopment of the Project.
8. Disbursement of the NSP3 program funds for the project in the amount not to exceed One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00) shall be subject to all Federal, State and Local laws, regulations and restrictions related to NSP3 funds as well as the terms and conditions set forth in the Agreement, attached hereto and made a part of this resolution.
9. Attached hereto is a certification from the Municipal Comptroller of the City of Newark which states (1) that there are sufficient funds for the purpose set forth hereinabove and (2) that the line appropriation of the official budget which shall be charged is as follows: Business Unit NW051; Dept. ID G13; Div./Proj. D13A0; Activity A; Account 72090; Budget Ref. B2013
10. The Mayor and/or his designee, 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 Agreement annexed hereto and may enter into subordination agreements, access and right of entry agreements, and other relevant documents, as permitted under the law, in a form subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two six month extensions of the term of the contract and any contract timeliness and milestones, as permitted under the law, subject to full written disclosure in form of a signed memorandum to be submitted prior to adoption to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.
11. The Sub-recipient shall be responsible for the recordation of a final Agreement and any amendments thereto, in the Office of the Essex County Register's Office and shall also be solely responsible for forwarding a copy of such book and page to the Department of Economic and Housing Development.
12. A copy of this Resolution and the fully executed Agreement shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development.
13. The Sub-recipient must remain in compliance with municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&FD 040595) and its Affirmative Action Plan (7RBP 030195) and Federal Executive Order 11246 (as amended by Executive Order Nos. 11375 and 12086) with respect to the award of goods and services. The Sub-recipient has agreed to ensure that a minimum of 40% of the workers employed during the construction of the project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.

14. This Agreement is in compliance with Executive Order Number MEO-07-0001 Pay- to-Play, which requires reporting of political contributions to Newark Municipal Candidates and prohibits certain political contributions during the duration of the contract.

### **STATEMENT**

Resolution ratifying and authorizing the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a NSP3 agreement (the "Agreement") with Unified Vailsburg Services (hereinafter referred to as the "Sub-recipient"), located at 42 Richelieu Terrace, Newark, New Jersey 07106 for an amount not to exceed One Hundred and Fifty Thousand Dollars and Zero Cents (\$150,000.00) in NSP3 funds to subsidize the Project known as the Vailsburg Prospects (the "Project") which consists of the acquisition and/or rehabilitation of three vacant and/or abandoned and/or foreclosed properties to be made affordable to individuals or families whose incomes do not exceed 120% of AMI. This contract commences on November 1, 2012 and terminates no later than August 31, 2013.