



Legislation Details (With Text)

File #: 12-0064 **Version:** 1 **Name:** Community Asset Preservation Corporation
Type: Resolution **Status:** Filed
File created: 3/8/2012 **In control:** Economic and Housing Development
On agenda: 9/6/2012 **Final action:** 9/6/2012
Title: Dept/ Agency: Economic & Housing Development
Action: Ratifying Authorizing Amending
Type of Service: Affordable Housing Agreement to provide HOME program funds to Community Asset Preservation Corporation
Purpose: HOME program funds provided to subsidize the substantial rehabilitation costs of five (5) properties totaling eleven (11) units to be sold and occupied by low income households.
Entity Name: Community Asset Preservation Corporation
Entity Address: 59 Lincoln Park, Newark, New Jersey 07102
Grant Amount: \$550,000.00
Funding Source: HUD, HOME Funding
Contract Period: February 1, 2012 through March 30, 2014
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:
(Address/Block/Lot/Ward)
439 South 15th Street /Block 328/ Lot 5/Central Ward
54 Blum Street /Block 306/ Lot 24/Central Ward
52 Blum Street /Block 306/ Lot 23/Central Ward
32 Salem Street /Block 4114/ Lot 21/West Ward
18 Salem Street /Block 4114/ Lot 14/West Ward
Additional Information:
N/A

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
9/6/2012	1	Municipal Council	Adopt	Pass

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Additional Information:

N/A

WHEREAS, the City of Newark desires to enter into an Affordable Housing Agreement (the “Agreement”) with Community Asset Preservation Corporation (“the Entity”) having its principal place of business at 59 Lincoln Park, Newark New Jersey 07102; and

WHEREAS, the City of Newark desires to provide the Entity with federal HOME program funds in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) pursuant to the HOME program (24 CFR part 92) and any amendments thereto; and

WHEREAS, the Agreement is for the Federal HOME program funds for The Community Preservation & Recovery Project to be located at 439 South 15th Street (Block 328, Lot 5), 54 Blum Street (Block 306, Lot 24), 52 Blum Street (Block 306, Lot 23), 32 Salem Street (Block 4114, Lot 21) and 18 Salem Street (Block 4114, Lot 14) in the West Ward and Central Ward (“the Project”) and such funds will be used to subsidize the rehabilitation costs of five (5) properties totaling eleven (11) units to be sold and occupied by low income households. Home program funds are designated for eleven (11) units in the project; and

WHEREAS, it is in the best interest of the City of Newark and the Department of Economic and Housing Development to establish contractual guarantees and procedures by which the City of Newark will ensure the Entity’s compliance with the requirements of the federal HOME program for the time and in the manner set forth in the Agreement for the receipt of said HOME program funds.

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 an Affordable Housing Agreement (the “Agreement”) with Community Asset Preservation Corporation (“the Entity”), having its principal place of business at 59 Lincoln Park, Newark New Jersey 07102, for Federal HOME program funds in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00), to subsidize the rehabilitation costs of five (5) properties totaling eleven (11) units to be sold and occupied by low income households. HOME program funds are designated for eleven (11) units in the project. The project will be located at 439 South 15th Street (Block 328 Lot 5), 54 Blum Street (Block 306, Lot 24), 52 Blum Street (Block 306, Lot 23), 32 Salem Street (Block 4114, Lot 21) and 18 Salem Street (Block 4114, Lot 14) in the West Ward and Central Ward .

2. The Deputy Mayor/Director of the Department of Economic and Housing Development is

hereby authorized to establish a declaration of covenants, conditions and restrictions. Said covenants, conditions and restrictions shall run with the land and bind the Entity 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 the Agreement for a period of fifteen (15) years, mortgage and mortgage note to ensure compliance with the requirements of the HOME program, pursuant to the HOME program statute and regulations (24 CFR Part 92).

3. The Entity shall be responsible for the recordation of the final fully executed Agreement and Mortgage and any amendments thereto in the Office of the Essex County Register's Office.
4. 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, mortgages and other relevant documents related to this fund allocation 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 Agreement and any timelines and milestones contained therein, provided that said timelines and milestones are not extended beyond the two permitted six month extensions, subject to full written disclosure (in the 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.
5. Disbursement of the Federal HOME program funds for the project in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) shall be subject to the terms and conditions set forth in the Agreement, which is attached hereto.
6. The Entity must adhere to all milestones and timelines in the Project Schedule approved by the Department of Economic and Housing Development. The project completion is further defined in the Agreement in Exhibit D. The property must conform to the City of Newark Design Guidelines for New Home Construction, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Entity fail to complete the project within the specified time frame, 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 Entity to repay all HOME program funds expended on the project back to the City.
7. A copy of this resolution, the final fully executed Agreement authorized by this resolution and any further amendments, authorized herein, and the certification of funds shall be placed on file in the Office of the City Clerk by the Deputy Mayor/ Director of the Department of Economic and Housing Development.
8. The Entity 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 (7RBP030195) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services. The Entity 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.

9. The term of the Agreement for this project shall run from February 1, 2012 through March 30, 2014.
10. The Agreement is hereby ratified from February 1, 2012 until the date of adoption of this authorizing resolution.
11. Units assisted with HOME program funds must be designated upon execution of the Agreement. Households seeking to occupy a HOME assisted unit must be certified prior to occupancy and tenants must be recertified annually.
12. Attached hereto is a certification from the Director of Finance which states that there are legally appropriated HOME program funds available in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) which represents the balance of HOME program funds, and that the line appropriation of the official budget which shall be charge is as follows:

Business Unit	Department	Division	Account	Budget Ref.
NW051	G10	1D0307	72090	B2010

STATEMENT

This resolution ratifies and authorizes the Mayor and/or his designee the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Affordable Housing Agreement (“the Agreement”) with Community Asset Preservation Corporation (“the Entity”), having its principal place of business at 59 Lincoln Park, Newark New Jersey 07102, for Federal HOME program funds in the amount of Five Hundred Fifty Thousand Dollars (\$550,000.00) to subsidize the rehabilitation costs of five (5) properties totaling eleven (11) units to be sold and occupied by low income household. The Community Preservation & Recovery Project will be located at 439 South 15th Street (Block 328 Lot 5), 54 Blum Street (Block 306, Lot 24), 52 Blum Street (Block 306, Lot 23), 32 Salem Street (Block 4114, Lot 21), and 18 Salem Street (Block 4114, Lot 14) in the West Ward and Central Ward. The HOME assisted units must remain affordable for a period of fifteen (15) years pursuant to the requirements under the HOME Program regulations (24 CFR Part 92).