



Legislation Details (With Text)

File #: 16-0856 Version: 1 Name: Community Asset Preservation Corporation (CAPC)
Type: Resolution Status: Adopted
File created: 5/13/2016 In control: Economic and Housing Development
On agenda: 3/1/2017 Final action: 3/1/2017

Title: Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To grant financial assistance for a project consisting of four (4) buildings with eight (8) residential rental units located within the South Ward Redevelopment Plan and identified on the Official Tax Map of the City as Block 3024, Lot 64, Block 3024, Lot 58, Block 2656, Lot 15 and Block 3639, Lot 77.
Entity Name: Community Asset Preservation Corporation
Entity Address: 108 Church Street, 3rd Floor, New Brunswick, New Jersey 08901
Grant Amount: \$320,000.00
Funding Source: Community and Economic Development Dedicated Trust
Total Project Cost: \$1,022,050.00
City Contribution: \$320,000.00
Other Funding Source/Amount: New Jersey Community Capital Equity/\$702,050.00
Contract Period: The term of this Agreement shall be for a period of two (2) years from the date of adoption of this authorizing resolution by the Newark Municipal Council
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale (X) Grant () Sub-recipient () n/a
(Address/Block/Lot/Ward)
171 Seymour Avenue, Newark, New Jersey/Block 3024/Lot 64/South Ward
185 Seymour Avenue, Newark, New Jersey/Block 3024/Lot 58/South Ward
17-19 Seymour Avenue, Newark, New Jersey/Block 2656/Lot 15/South Ward
13-15 Scheerer Avenue, Newark, New Jersey/Block 3639/Lot 77/South Ward
Additional Information:

Sponsors: John Sharpe James, Eddie Osborne

Indexes:

Code sections:

Table with 5 columns: Date, Ver., Action By, Action, Result. Row 1: 3/1/2017, 1, Municipal Council, Adopt, Pass

Dept/ Agency: Economic and Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Grant Agreement
Purpose: To grant financial assistance for a project consisting of four (4) buildings with eight (8) residential rental units located within the South Ward Redevelopment Plan and identified on the Official Tax Map of the City as Block 3024, Lot 64, Block 3024, Lot 58, Block 2656, Lot 15 and Block 3639, Lot 77.
Entity Name: Community Asset Preservation Corporation
Entity Address: 108 Church Street, 3rd Floor, New Brunswick, New Jersey 08901
Grant Amount: \$320,000.00
Funding Source: Community and Economic Development Dedicated Trust

Total Project Cost: \$1,022,050.00

City Contribution: \$320,000.00

Other Funding Source/Amount: New Jersey Community Capital Equity/\$702,050.00

Contract Period: The term of this Agreement shall be for a period of two (2) years from the date of adoption of this authorizing resolution by the Newark Municipal Council

Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS

() Fair & Open () No Reportable Contributions () RFP () RFQ

() Private Sale (X) Grant () Sub-recipient () n/a

(Address/Block/Lot/Ward)

171 Seymour Avenue, Newark, New Jersey/Block 3024/Lot 64/South Ward

185 Seymour Avenue, Newark, New Jersey/Block 3024/Lot 58/South Ward

17-19 Seymour Avenue, Newark, New Jersey/Block 2656/Lot 15/South Ward

13-15 Scheerer Avenue, Newark, New Jersey/Block 3639/Lot 77/South Ward

Additional Information:

WHEREAS, on March 11, 2014, the Municipal Council of the City of Newark (the "Municipal Council") adopted Resolution 7R3a(S) authorizing the conveyance of certain abandoned properties and City-owned properties, including the real property located at 171 Seymour Avenue and 185 Seymour Avenue (Block 3064, Lots 64 and 58, respectively) in the City of Newark, New Jersey, to Community Asset Preservation Corporation, having its address at 108 Church Street, 3rd Floor, New Brunswick, New Jersey (the "Entity"), for the purpose of redevelopment pursuant to the terms and conditions of the Redevelopment Agreement attached therein; and

WHEREAS, on December 7, 2016 the Municipal Council thereafter adopted Resolution 7R2d authorizing the conveyance of additional City-owned real properties located at 17-19 Seymour Avenue (Block 2656, Lot 15) and 13-15 Scheerer Avenue (Block 3639, Lot 77) in the City of Newark, New Jersey to the Entity for the purpose of rehabilitation pursuant to the terms and conditions of the Redevelopment Agreement attached therein; and

WHEREAS, the Entity intends to redevelop and/or rehabilitate the real properties located at 171 Seymour Avenue, 185 Seymour Avenue, 17-19 Seymour Avenue, and 13-15 Scheerer Avenue, Newark, New Jersey (South Ward) and identified on the official tax map of the City of Newark as Block 3024, Lot 64, Block 3024, Lot 58, Block 2656, Lot 15 and Block 3639, Lot 77 (the "Properties") pursuant to the terms and conditions of their respective Redevelopment Agreements (the "Project"); and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "LRHL"), and is governed by the Redevelopment Plan; and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, N.J.S.A. 40A:12A-8(f) of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with redevelopment plans; and

WHEREAS, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in order to implement an approved Redevelopment Plan; and

WHEREAS, the Municipal Council recognizes the need to complete the above Project and desires to finance the making of a capital grant in the amount of Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to the Entity to be used to acquire the Properties and develop the Project; and

WHEREAS, the City of Newark desires to enter into a Grant Agreement with Community Asset Preservation Corporation in order to memorialize the terms and conditions of a capital grant of up to Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00), with funds for this grant to be provided from the City's Community and Economic Development Dedicated Trust Fund established by Resolution 7Rg adopted on November 6, 1985, as financial assistance for the sole purpose to renovate the Properties and develop the Project.

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 Grant Agreement with Community Asset Preservation Corporation (the "Entity"), 108 Church Street, 3rd Floor, New Brunswick, New Jersey 08901, in the form attached hereto as Exhibit A ("Grant Agreement"), in the amount of Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) from the City of Newark Community Economic and Development Dedicated Fund (the "Grant Funds"), to be used as financing for the renovation of the Properties and development of the Project which shall facilitate redevelopment of the City and implementation of related activities.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish and record a declaration of covenants, conditions and restrictions to ensure that the City shall be repaid the full amount of the Grant Funds disbursed to the Entity upon the occurrence of an event of default under the Grant Agreement by the Entity by requiring the Entity to execute a separate Mortgage and Mortgage Note for the full amount of funding provided to the Entity in the Grant Agreement. 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 during the term of the Grant Agreement and the City shall discharge such Mortgage and lien in connection therewith upon its issuance of a Certificate of Completion for the Project.
3. The term of the Grant Agreement shall commence on the date of execution and delivery of the Grant Agreement by the Entity and the City and expire upon the City's issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
4. The Entity shall be responsible for the recordation of the final fully executed Grant Agreement, Mortgage and Security Agreement, the Note and any amendments thereto in the Office of the Essex County Register's Office.
5. 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 Grant Agreement as permitted by New Jersey Law and may enter into access and right of entry agreements and other relevant documents related to these fund allocations in forms 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 one six (6) month extension of the term set forth in the Grant Agreement and any contract timelines and milestones contained therein, provided that any contract 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.
6. The Entity must adhere to all milestones and timelines in the Project Schedule as further set forth in the Grant Agreement. The Project must conform to the City of Newark Design and Construction Standards 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 set forth in the Grant Agreement, then the City, in its sole discretion, in addition to any other remedy available by the Grant Agreement or as allowed by law, may direct the Entity to repay all funding authorized in the Grant Agreement.
7. The Entity must remain in compliance with all municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd April 5, 1995) and its Affirmative Action Plan (7RbpMarch 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services, as may be amended from time to time. 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.

8. Attached hereto is a Certification from the Director of Finance of the City of Newark which states that (1) there are sufficient funds in the amount of Three Hundred and Twenty Thousand Dollars and Zero Cents (\$320,000.00) and (2) that the line appropriation of official budgets which shall be charged is as follows:

Business Unit	Dept.	Activity	Account#	Budget Ref.	Amount
026	BS	N/A	32100	B2016	\$320,000.00

9. A copy of the fully executed Grant Agreement, the Mortgage Note and the recorded Mortgage must be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

STATEMENT

This Resolution authorizes the Mayor and/or his designee, and the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Grant Agreement with Community Asset Preservation Corporation, 108 Church Street, 3rd Floor, New Brunswick, New Jersey 08901, for Grant Funds in the amount of Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to subsidize the redevelopment and/or rehabilitation of a project consisting of four (4) residential buildings, with a total of eight (8) units, located at 171 Seymour Avenue, 185 Seymour Avenue, 17-19 Seymour Avenue, and 13-15 Scheerer Avenue, Newark, New Jersey (South Ward) and identified on the official tax map of the City of Newark as Block 3024, Lot 64, Block 3024, Lot 58, Block 2656, Lot 15 and Block 3639, Lot 77.