



Legislation Details (With Text)

File #: 11-1661 **Version:** 4 **Name:** Somerset Brownstones Urban Renewal Associates. LP
Type: Resolution **Status:** Returned to Administration
File created: 12/21/2011 **In control:** Economic and Housing Development
On agenda: 8/1/2012 **Final action:** 8/1/2012

Title: Dept/ Agency: Economic & Housing Development
Action: () Ratifying (X) Authorizing () Amending
Type of Service: Affordable Housing Agreement to authorize HOME funds to Somerset Brownstones, a family rental apartment building.
Purpose: To authorize HOME funds to subsidize the rehabilitation costs for sixty (60) rental housing units. HOME program funds are designated for eleven (11) units in the project and will be affordable to very low income households.
Entity Name: Somerset Brownstones Urban Renewal Associates, LP
Entity Address: 3 East Stow Road, Marlton, New Jersey 08053
Grant Amount: \$1,356,946.00
Funding Source: HUD, HOME Funding
Contract Period: Two years from the date of execution of the Affordable Housing Agreement
Contract Basis: () Bid () State Vendor () Prof. Ser. () EUS
() Fair & Open () No Reportable Contributions () RFP () RFQ
() Private Sale () Grant () Sub-recipient (X) n/a
List of Property:
(Address/Block/Lot/Ward)
25-49 Somerset Street and 50-76 Barclay Street /Block 2556/ Lot 1.02 /Central Ward

Additional Information:
Ordinance # 6PSFB(S) 043012, granted entity a thirty (30) year Long Term Tax Exemption.
Resolution # 7R3-A(S) 112911, approved contract with the entity for Private Sale/Redevelopment of the property.

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
8/1/2012	4	Municipal Council	Returned to Administration	Pass

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WHEREAS, the City of Newark desires to enter into an Affordable Housing Agreement (the "Agreement") with Somerset Brownstones Urban Renewal Associates, L.P., (hereinafter referred to as the "Entity") having its principal place of business at 3 East Stow Road, Marlton, New Jersey 08053; and

WHEREAS, the City of Newark desires to provide the Entity with federal HOME program funds, in the amount of One Million, Three Hundred Fifty Six Thousand, Nine Hundred and Forty-Six Dollars (\$1,356,946.00) pursuant to the HOME Investment Partnership Program (24 CFR part 92) and any amendments thereto; and

WHEREAS, the Agreement is for federal HOME program funds for the Somerset Brownstones Project to be located at 25-49 Somerset Street and 50-76 Barclay Street (Block 2556, Lot 1.02) in the Central Ward (the "Project") and such funds will be used to subsidize the rehabilitation costs for sixty (60) rental housing units. HOME program funds are designated for eleven (11) units in the project and will be affordable to very low income households; 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 funds 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 with Somerset Brownstones Urban Renewal Associates, L.P. located at 3 East Stow Road, Marlton, New Jersey 08053 (the "Entity") for Federal HOME program funds, in the amount of One Million, Three Hundred Fifty-Six Thousand, Nine Hundred and Forty-Six Dollars (\$1,356, 946.00) for the Somerset Brownstones Project to be located at 25-49 Somerset Street and 50-76 Barclay Street (Block 2556, Lot 1.02) in the Central Ward (the "Project") to subsidize the rehabilitation costs for sixty (60) rental housing units. HOME program funds are designated for eleven (11) units in the project and will be affordable to very low income households.

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 this agreement, mortgage and mortgage note for the period of twenty (20) years to ensure compliance with the HOME program statute and regulations (24 CFR Part 92).
3. The contract period for this project shall run for a period of two (2) years from the date of execution of the Affordable Housing Agreement.
4. 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 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.
5. Disbursement of the federal HOME program funds for the project in the amount of One Million, Three Hundred Fifty-Six Thousand, Nine Hundred and Forty-Six Dollars (\$1,356,946.00) shall be subject to the terms and conditions set forth in this Agreement, which is attached hereto.
6. Attached hereto is a certification from the Municipal Comptroller of the City of Newark, which states: (1) that there are legally appropriated funds available in the amount of One Million, Three Hundred Fifty-Six Thousand, Nine Hundred and Forty-Six Dollars (\$1,356,946.00) for the purpose set forth hereinabove; and (2) that the line appropriation of the official budget, which shall be charged is as follows:

Bus. Unit	Dept. ID	Div./Proj.	Activity	Acct.#	Budget Ref.
NW501	G10	1D030	A	72090	B2010

7. The Deputy Mayor/Director of the Department of Economic and Housing Development and/or his designee is hereby authorized to effectuate certain business terms and conditions related to the Affordable 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 maximum of two (2) six (6) month extensions of the term of the agreement and any contract timeliness and milestones, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) month extensions, 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 Economic and Housing Development and the approval of the Corporation Counsel.
8. The Entity 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 and the Office of the City Clerk.

9. 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 Department of Economic and Housing Development.
10. The Entity must execute the Agreement, which is attached hereto no later than forty-five (45) days from the date of approval from the Municipal Council or the Agreement will be null and void. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into maximum of two (2) thirty (30) day extensions of this period.
11. 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&FD040595) and its Affirmative Action Plan (7RB-P030195) 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.
12. 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 recertified annually.

STATEMENT

This resolution hereby 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 with Somerset Brownstones Urban Renewal Associates, L.P. located at 3 East Stow Road, Marlton, New Jersey 08053 (the "Entity") for Federal HOME program funds, in the amount of One Million, Three Hundred Fifty-Six Thousand, Nine Hundred and Forty-Six Dollars (\$1,356, 946.00) for the Somerset Brownstones Project to be located at 25-49 Somerset Street and 50-76 Barclay Street (Block 2556, Lot 1.02) in the Central Ward (the "Project") to subsidize the rehabilitation costs for sixty (60) rental housing units. HOME program funds are designated for eleven (11) units in the project and will be affordable to very low income households. The HOME assisted units must remain affordable for a period of twenty (20) years pursuant to the requirements under the HOME program regulations (24CFR Part 92).