



Legislation Details (With Text)

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File created: 10/4/2012 **In control:** Economic and Housing Development

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Title: Dept/ Agency: Economic & Housing Development
 Action: () Ratifying (X) Authorizing () Amending
 Type of Service: Affordable Housing Agreement
 Purpose: HOME Program funds to subsidize the construction costs of eleven (11) units within the eighty-eight residential (88) units, five story mixed-use, mixed-income, multi-family rental project. Units assisted with HOME program funds must be occupied by low and very low income households
 Entity Name: Downtown Partners Urban Renewal Associates, LP Entity Address: 77 Park Street, Montclair, New Jersey 07042
 Grant Amount: \$1,057,652.00
 Funding Source: HUD, HOME Funding
 Contract Period: Two years from the date of adoption of this authorizing resolution by the Municipal Council
 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)
 999-1005 Broad Street/ /Block 111/ Lot 70/ Central Ward
 Additional Information:
 Project Name: 999 Broad Street Phase I Project

Sponsors:

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
2/20/2013	1	Municipal Council	Adopt	Pass

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WHEREAS, the City of Newark desires to enter into an Affordable Housing Agreement (the "Agreement") with Downtown Partners Urban Renewal Associates, LP ("the Entity") having its principal place of business at 77 Park Street, Montclair, New Jersey 07042; and

WHEREAS, the City of Newark desires to provide the entity with Federal HOME program funds in the form of a deferred loan for a period of thirty (30) years, pursuant to the HOME program (24 CFR part 92) and any amendments, thereto; and

WHEREAS, the Agreement is for the amount of One Million Fifty Seven Thousand Six Hundred Fifty Two Dollars (\$1,057,652.00) in federal HOME program funds for the 999 Broad Street Phase I Project to be located at 999-1005 Broad Street, Newark, New Jersey (Block 111, Lot 70) in the Central Ward (the "Project") and such funds will used to subsidize the development of eleven (11) units. The project contains eighty-eight (88) residential units in a five story mixed-use, mixed-income, multi-family rental project. *The HOME assisted units must be occupied by low and 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 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 a Affordable Housing Agreement (the "Agreement") with Downtown Partners Urban Renewal Associates, LP ("the Entity"), having its principal place of business at 77 Park Street, Montclair, New Jersey 07042, for Federal HOME program funds in the amount of One Million Fifty Seven Thousand Six Hundred Fifty Two Dollars (\$1,057,652.00) to subsidize the development of eleven (11) units within the eighty-eight residential (88) units, five story mixed-use, mixed-income, multi-family rental project. The 999 Broad Street-Phase I Project will be located at 999 -1005 Broad Street, Newark, New Jersey (Block 111, Lot 70) in the Central Ward.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to establish a declaration of covenants, conditions and restrictions to ensure that the project remains affordable for a period of thirty (30) years. 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 for a period of thirty (30) years. The mortgage and mortgage note given by the Entity shall 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 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.
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 as permitted by New Jersey Law 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 contract and any contract timelines and milestones, 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.
5. Disbursement of the federal HOME program funds for the project in the amount of One Million Fifty Seven Thousand Six Hundred Fifty Two Dollars (\$1,057,652.00) 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 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, 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. The term of the Agreement shall be for a period of two years from the date of adoption of this authorizing resolution by the Municipal Council.
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. Units assisted with HOME program funds must be designated upon execution of the Agreement and must remain fixed units for the duration of the affordability period. Households seeking to occupy a HOME assisted unit must be certified prior to occupancy and recertified annually.
10. Attached hereto is a certification from the Municipal Comptroller of the City of Newark which states:

a) there are sufficient funds in the amount of One Million Fifty Seven Thousand Six Hundred Fifty Two Dollars (\$1,057,652.00) for the purpose set forth herein and above; and

b) that the line appropriation of official budget which shall be charged as follows:

Bus. Unit	Department	Division/Proj.	Activity	Account	Budget Ref.
NW051	G11	D11D0	A	72090	B2011

11. 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.

STATEMENT

The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into and execute an Affordable Housing Agreement (“The Agreement”) with Downtown Partners Urban Renewal Associates, LP (“the Entity”) for Federal HOME program funds in the amount of One Million Fifty Seven Thousand Six Hundred Fifty Two Dollars (\$1,057,652.00), to subsidize the development of eleven (11) units within the eighty-eight residential (88) units, five story mixed-use, mixed-income, multi-family rental project. The HOME assisted units must remain affordable to low and very low income households for a period of thirty (30) years pursuant to the requirements under the HOME Program (24 CFR Part 92).