



Legislation Details (With Text)

File #: 22-1689 **Version:** 1 **Name:** Ordinance: First Amendment to 30 Year Tax Abatement Financial Agreement - Pilgrim Baptist Village Preservation Urban Renewal, LLC

Type: Ordinance **Status:** Adopted

File created: 11/16/2022 **In control:** Economic and Housing Development

On agenda: 3/1/2023 **Final action:** 3/15/2023

Title: AN ORDINANCE AMENDING THE THIRTY (30) YEAR TAX ABATEMENT GRANTED TO PILGRIM BAPTIST VILLAGE PRESERVATION URBAN RENEWAL, LLC, 200 VESEY STREET, 24TH FLOOR, NEW YORK, NEW YORK 10281, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1 ET SEQ., FOR A PROJECT TO ACQUIRE AND REHABILITATE (2) AFFORDABLE HOUSING PROJECTS CONTAINING (305) RESIDENTIAL UNITS, CONSISTING OF (2) SUPERINTENDENT UNITS AND (303) AFFORDABLE HOUSING UNITS, ALL OF WHICH ARE AND SHALL CONTINUE TO BE AVAILABLE TO FAMILIES EARNING 60% OR LESS OF THE AREA MEDIAN INCOME (“AMI”), LOCATED AT 291-319 18TH AVENUE AND 143-171 AVON AVENUE, NEWARK, NEW JERSEY 07108 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2571, LOT 60 AND BLOCK 2575, LOT 49 (CENTRAL WARD), TO AMEND THE DESCRIPTION OF LOW-INCOME FAMILIES AS DEFINED IN 42 USC § 1437a(b)(2)(A) AND TO ENDORSE THE AVERAGE INCOME MINIMUM SET-ASIDE ELECTION MADE BY THE ENTITY FOR ALL LOW-INCOME HOUSING TAX CREDIT (“LIHTC”) UNITS IN THE AFFORDABLE HOUSING PROJECT.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
3/15/2023	1	Municipal Council	Close on Public Hearing and Adopt	Pass
3/1/2023	1	Municipal Council	Advance and Adopt on First Reading as 6F-	Pass

AN ORDINANCE AMENDING THE THIRTY (30) YEAR TAX ABATEMENT GRANTED TO PILGRIM BAPTIST VILLAGE PRESERVATION URBAN RENEWAL, LLC, 200 VESEY STREET, 24TH FLOOR, NEW YORK, NEW YORK 10281, PURSUANT TO THE LONG TERM TAX EXEMPTION LAW, N.J.S.A. 40A:20-1 ET SEQ., FOR A PROJECT TO ACQUIRE AND REHABILITATE (2) AFFORDABLE HOUSING PROJECTS CONTAINING (305) RESIDENTIAL UNITS, CONSISTING OF (2) SUPERINTENDENT UNITS AND (303) AFFORDABLE HOUSING UNITS, ALL OF WHICH ARE AND SHALL CONTINUE TO BE AVAILABLE TO FAMILIES EARNING 60% OR LESS OF THE AREA MEDIAN INCOME (“AMI”), LOCATED AT 291-319 18TH AVENUE AND 143-171 AVON AVENUE, NEWARK, NEW JERSEY 07108 AND IDENTIFIED ON THE OFFICIAL TAX MAP OF THE CITY OF NEWARK, AS BLOCK 2571, LOT 60 AND BLOCK 2575, LOT 49 (CENTRAL WARD), TO AMEND THE DESCRIPTION OF LOW-INCOME FAMILIES AS DEFINED IN 42 USC § 1437a(b)(2)(A) AND TO ENDORSE THE AVERAGE INCOME MINIMUM SET-ASIDE ELECTION MADE BY THE ENTITY FOR ALL LOW-INCOME HOUSING TAX CREDIT (“LIHTC”) UNITS IN THE AFFORDABLE HOUSING PROJECT.

WHEREAS, on July 10, 2019, the Municipal Council adopted Ordinance 6PSF-j (the

“Ordinance”), a copy of which is attached hereto as Exhibit A, granting a thirty (30) year tax abatement to Pilgrim Baptist Village Preservation Urban Renewal, LLC, 200 Vesey Street, 24th Floor, New York, New York 10281 (the “Entity”), pursuant to the Long Term Tax Exemption Law, N.J.S.A. 40A:20-1 et seq., for the acquisition and rehabilitation of two (2) affordable housing projects containing three hundred five (305) residential units, consisting of two (2) superintendent units and three hundred three (303) affordable housing units, all of which were described as remaining available to families earning “60% or less” of the Area Median Income (“AMI”), located at 291-319 18th Avenue and 143-171 Avon Avenue, Newark, New Jersey 07108 and identified on the Official Tax Map of the City of Newark, as Block 2571, Lot 60 and Block 2575, Lot 49 (the “Property”) (collectively the “Affordable Housing Project”); and

WHEREAS, the Entity and the City of Newark (the “City”) entered into a Financial Agreement setting forth the terms and conditions of the tax abatement for the Property pursuant to the Ordinance, which was fully executed on or about August 30, 2019, a copy of which is attached hereto as Exhibit B; and

WHEREAS, during the Entity’s recent income certification, the Entity confirmed with the City’s Department of Economic and Housing Development that all residents in the 303-unit Affordable Housing Project satisfy the affordability criteria required under applicable State and Federal Law (i.e., the average of all income designations does not exceed 60% of area median income (“AMI”)), notwithstanding that nine (9) low-income residents have reported income “between 60-80%” of AMI, instead of “60% or less” of AMI as described in the Financial Agreement and Ordinance; and

WHEREAS, property records for the Property show that: (i) the nine (9) residents referenced above are long-term residents whose occupancies predate the Entity’s acquisition of the Property; (ii) all current residents qualify for affordable housing under the existing Housing Assistance Payments Contract; and (iii) the average of all income designations does not exceed 60% of AMI; and

WHEREAS, in order to comply with the New Jersey Housing and Mortgage Finance Agency (“NJHMFA”) four percent (4%) Low-Income Housing Tax Credit (“LIHTC”) Program, the Entity has requested that the Financial Agreement be amended specifically to the definition and description of the Affordable Housing Project as “a project to acquire and rehabilitate two (2) affordable housing projects containing three hundred five (305) residential units, consisting of two (2) superintendent units and three hundred three (303) affordable housing units, all of which affordable housing units are and shall continue to be available to low-income families as defined in 42 USC § 1437a(b)(2)(A)”; and

WHEREAS, in conformance with the proposed amendment, the Entity has also requested that the City endorse the “Average Income” minimum set-aside election made by the Entity for all LIHTC units in the Affordable Housing Project, which set-aside option provides that the average of all unit income designations (e.g., 20%, 30%, 40%, 50%, 60%, 70% or 80% of AMI) shall not exceed 60% of AMI; and

WHEREAS, pursuant to and in accordance with Section 16.12 of the Financial Agreement, the Parties now desire to amend the Financial Agreement in accordance herewith and in the form attached hereto as Exhibit C; and

WHEREAS, in addition to the forgoing, the City has determined that it is in the best interest of the parties, the Project residents, and the City to endorse the “Average Income” minimum set-aside election made by the Entity for all LIHTC units in the Affordable Housing Project.

NOW, THEREFORE, BE IT ORDAINED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Municipal Council authorizes the Mayor of the City of Newark and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute, on the City's behalf, the First Amendment to Financial Agreement, in the form attached hereto as Exhibit C, with Pilgrim Baptist Preservation Urban Renewal, LLC, 200 Vesey Street, 24th Floor, New York, New York 10281, for the acquisition and rehabilitation of two (2) affordable housing projects containing three hundred five (305) residential units, consisting of two (2) superintendent units and three hundred three (303) affordable housing units, all of which were described as remaining available to families earning "60% or less" of the Area Median Income ("AMI"), located at 291-319 18th Avenue and 143-171 Avon Avenue, Newark, New Jersey 07108 and identified on the Official Tax Map of the City of Newark, as Block 2571, Lot 60 and Block 2575, Lot 49, specifically to amend the definition and description of the Affordable Housing Project as "a project to acquire and rehabilitate two (2) affordable housing projects containing three hundred five (305) residential units, consisting of two (2) superintendent units and three hundred three (303) affordable housing units, all of which affordable housing units are and shall continue to be available to low-income families as defined in 42 USC § 1437a(b)(2)(A)" and to endorse the "Average Income" minimum set-aside election made by the Entity for all LIHTC units in the Affordable Housing Project.

2. The Deputy Mayor/Director of the Department of Economic and Housing Development shall file an executed copy of the First Amendment to Financial Agreement authorized by this Ordinance with the Office of the City Clerk.

3. Except as expressly modified by this Ordinance and the First Amendment to Financial Agreement, all terms and conditions of Ordinance 6PSF-j adopted on July 10, 2019, and the Financial Agreement, which was fully executed on or about August 30, 2019, pursuant to said Ordinance, shall remain in full force and effect.

4. The City hereby endorses the "Average Income" minimum set-aside election made by the Entity for all LIHTC units in the Affordable Housing Project, as set forth in the "Deed of Easement and Restrictive Covenant for Extended Low-Income Occupancy" between the Entity and the New Jersey Housing and Mortgage Finance Agency ("NJHMFA") dated September 29, 2021, recorded in the Essex County Register of Deeds on February 15, 2022.

5. The Entity shall in the operation of the Project comply with all laws, so that no person shall be subject to any discrimination because of race, religious principles, color, national origin, or ancestry.

6. The adoption of this Ordinance is expressly conditioned upon the requirement that the Entity pay the City all outstanding taxes and/service charges, and water/sewer charges within thirty (30) days of the date of the adoption of this Ordinance. If the Entity fails to timely satisfy these requirements, this Ordinance and the approval granted herein shall be null and void.

7. This Ordinance shall take effect upon final passage and publication in accordance with the laws of the State of New Jersey.

STATEMENT

This Ordinance authorizes the execution of the First Amendment to Financial Agreement, governing the terms of the tax abatement granted to Pilgrim Baptist Preservation Urban Renewal,

LLC, 200 Vesey Street, 24th Floor, New York, New York 10281, pursuant to Ordinance 6PSF-j adopted on July 10, 2019, for the acquisition and rehabilitation of (2) affordable housing projects containing (305) residential units, consisting of (2) superintendent units and (303) affordable housing units, all of which are and shall continue to be available to low-income families as defined in 42 USC § 1437a(b)(2)(A), located at 291-319 18th Avenue and 143-171 Avon Avenue, Newark, New Jersey 07108 and identified on the Official Tax Map of the City of Newark, as Block 2571, Lot 60 and Block 2575, Lot 49 (Central Ward). This Ordinance also memorializes the City's endorsement of the "Average Income" minimum set-aside election made by the Entity for all LIHTC units in the Affordable Housing Project.