



Legislation Text

File #: 18-0392, Version: 1

Dept/ Agency: Economic & Housing Development

Action: () Ratifying (X) Authorizing () Amending

Type of Service: Assignment of Contract Agreement

Purpose: Consenting to the Assignment of the Financial Agreement from S.H.E. Urban Renewal Associates, LP to Bruce Street Gardens NJ LLC of an Affordable Housing Project Located at 35-61 12th Avenue

Entity Name: Bruce Street Gardens NJ, LLC.

Entity Address: 10 Hill Street, Newark, New Jersey 07102

Contract Amount: N/A

Funding Source: N/A

Contract Period: N/A

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:

(35-61 12th Avenue/Block 420/Lot 1.02/ Ward)

Additional Information:

WHEREAS, on January 6, 1999, Newark Municipal Council adopted Resolution No.7 RDE (AS) granting a long term tax abatement to S.H.E. Urban Renewal Associates, LP (“Assignor”) pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, *N.J.S.A. 55:14K-1 et seq.* (the “HMFA Law”) for the construction of four (4) buildings containing 108 rental units, a 3,500 square foot recreational and pre-school center, a 850 square foot security and management office, laundry room and one hundred sixty six (166) parking spaces located at 35-61 12th Avenue and designated as Block 420, Lot 1.02 on the Official Tax Map of the City (the “Project”); and

WHEREAS, as authorized under Resolution No.7 RDE(AS), the City entered into a Financial Agreement with the Assignor governing the tax abatement for the Project (the “Financial Agreement”); and

WHEREAS, the Assignor has entered into a contract with Bruce Street Gardens NJ LLC (“Assignee”) to sell the Project, which contract requires that the City approve the transfer of the Financial Agreement to the Assignee; and

WHEREAS, the Assignee has represented to the City that upon its purchase of the Project, it will assume the Assignor’s mortgage with HMFA; and

WHEREAS, the Assignee has filed an application with the City (the “Application”) seeking the City’s consent to the sale of the Project and of the transfer of the Financial Agreement from the

Assignor to the Assignee; and

WHEREAS, the City has reviewed the Application, and determined that the Assignee has the capacity and experience to own and operate the Project and to assume all of the rights and obligations of the Assignor under the Financial Agreement; and

WHEREAS, the Municipal Council wishes to adopt this resolution in order to reflect the City's consent to the conveyance of the Project, the transfer of the Financial Agreement to the Assignee, and to authorize the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement between the City, Assignor and Assignee.

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

1. The City hereby consents to (i) the conveyance of the affordable housing project consisting of four (4) buildings containing 108 rental units, a 3,500 square foot recreational and pre-school center, a 850 square foot security and management office, laundry room and one hundred sixty six (166) parking spaces located at 35-61 12th Avenue and designated as Block 420, Lot 1.02 on the Official Tax Map of the City (the "Project") by S.H.E. Urban Renewal Associates, LP ("Assignor") to Bruce Street Gardens NJ LLC ("Assignee"); and (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee.
2. The Municipal Council hereby authorizes the Mayor and/or his designee, the acting Director of Economic and Housing Development, to execute, on behalf of the City, the Assignment and Assumption Agreement of Financial Agreement amongst the City, the Assignor and the Assignee (the "Assignment Agreement") in the form attached hereto.
3. The long term tax abatement for the Project will expire in February, 2029 and will remain in effect until such time provided that the Assignee complies with all applicable State statutes, City Ordinances and Resolutions and terms of the Assignment Agreement and Financial Agreement. This Resolution will not extend the period of the tax abatement beyond the date of expiration.
4. The Assignee shall pay all outstanding amounts due to the City, including without limitation, all water and sewer charges and all other amounts due under the Financial Agreement, within thirty (30) days of the adoption of this resolution.
5. The Assignment Agreement, once fully executed, shall be filed by the Acting Director of the Department of Economic and Housing Development with the Office of the City Clerk.
6. This resolution shall take effect immediately.

STATEMENT

This resolution memorializes the City's consent to (i) the conveyance of the affordable housing project consisting of four (4) buildings containing 108 rental units, a 3,500 square foot recreational and pre-school center, a 850 square foot security and management office, laundry room and one hundred sixty six (166) parking spaces located at 35-61 12th Avenue by S.H.E. Urban Renewal

Associates, LP (“Assignor”) to Bruce Street Gardens NJ LLC (“Assignee”) and to (ii) the assignment of the Financial Agreement governing the Project from the Assignor to the Assignee. This resolution also authorizes the Mayor and/or his designee, the Acting Director of Economic and Housing Development, to execute, on behalf of the City, an Assignment and Assumption Agreement with the Assignor and the Assignee in the form attached to the resolution.