



Legislation Text

File #: 24-0382, Version: 1

**Dept./ Agency:** Economic and Housing Development

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

**Type of Service:** First Amendment to the Agreement for the Sale and Redevelopment of Land

**Purpose:** An Agreement to subordinate the City’s right of reverter by entering into an Amendment to the Agreement for Sale and Redevelopment of Land in order to permit financing necessary for the redevelopment of affordable rental or for-sale housing.

**Entity Name:** Southside View, LLC

**Entity Address:** 1212 Springfield Avenue, Irvington, New Jersey 07111

**Sale Amount:** Not Applicable

**Cost Basis:** ( ) \$ PSF ( ) Negotiated (X) N/A ( ) Other:

**Assessed Amount:** N/A

**Appraised Amount:** N/A

**Contract Period:** Not Applicable

**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)**

- 664 South 11<sup>th</sup> Street/Block 2617/Lot69/Additional Lot 70/South Ward
- 662 South 11<sup>th</sup> Street/Block 2617/Lot 71/Additional Lot 87/South Ward
- 660 South 11<sup>th</sup> Street/Block 2617/Lot 72/South Ward
- 658 South 11<sup>th</sup> Street/Block 2617/Lot 73/South Ward
- 656 South 11<sup>th</sup> Street/Block 2617/Lot 74/South Ward
- 654 South 11<sup>th</sup> Street/Block 2617/Lot 75/South Ward
- 668 South 11<sup>th</sup> Street/Block 2617/Lot 85/South Ward
- 666 South 11<sup>th</sup> Street/Block 2617/Lot 86/South Ward
- South 11<sup>th</sup> Street/Block 2617/Lot 88/South Ward

**Additional Information:**

Resolution 7R2-b(AS) adopted on June 2, 2022, designated Southside View, LLC, as the redeveloper and authorized the private sale of the properties, pursuant to the Agreement for the Sale and Redevelopment of Land.

This Amendment to the Agreement for Sale and Redevelopment of Land will provide for the financing necessary for the redevelopment of affordable rental or for-sale housing.

**WHEREAS**, pursuant to Resolution 7R2-b(as) adopted on June 2, 2022, the Mayor and the Deputy Mayor/Director of the Department of Economic and Housing Development were authorized to enter into and execute an Agreement for the Sale and Redevelopment of Land (“Agreement”) with Southside View LLC, 1212 Springfield Avenue, Irvington, New Jersey 07111 (the “Redeveloper”) for the sale of land owned by the City of Newark (“City”) known as “Properties” and located at:

<u>ADDRESS</u>	<u>BLOCK</u>	<u>LOT(S)</u>
664 South 11 <sup>th</sup> Street	662 South 11 <sup>th</sup> Street	2617 2617 2617 69,70 71,87
660 South 11 <sup>th</sup> Street	658 South 11 <sup>th</sup> Street	2617 2617 2617 72 73 74 75
656 South 11 <sup>th</sup> Street	654 South 11 <sup>th</sup> Street	2617 2617 2617 85 86 88
668 South 11 <sup>th</sup> Street	666 South 11 <sup>th</sup> Street	
South 11 <sup>th</sup> Street		

for a purchase price of One Hundred Sixty-Seven Thousand Six Hundred One Dollars and Forty Cents (\$167,601.40), for the construction of a forty (40) unit, multi-family affordable residential building (“Project”); and

**WHEREAS**, the sale and Agreement were authorized pursuant to N.J.S.A. 40A:12A-8(g) and the South Ward Redevelopment Plan; and

**WHEREAS**, the Agreement allows the City to seek reversion of title to the Properties under certain events of Default as defined in the Agreement (the “Reverter Right”); and

**WHEREAS**, the Redeveloper has represented that it has secured the financing to obtain a loan through Citizens Bank, N.A., and New Jersey Housing and Mortgage Finance Agency, (collectively, the "Lender") to develop the Project, and the loan will be evidenced by a Promissory Note and secured by a Mortgage on the Properties; and

**WHEREAS**, the Redeveloper has advised the City that the Lender has requested that the City subordinate its Reverter Right within the Agreement as a condition for financing the Project, including the insertion of language into the Redevelopment Agreement acknowledging that the Lender shall be financing the Project and shall be provided with notice and a right to cure any default within ninety (90) days of receipt of such default notice, amending the reverter clause to explicitly indicate that it shall not defeat, render invalid, or limit in any way the lien on the Property arising from the Lender's mortgage and to clarify when the reverter clause shall terminate, and amending the notice provisions of the Redevelopment Agreement to include the Lender as an entity that will receive notices thereunder; and

**WHEREAS**, the Agreement states that the Reverter Right may be subordinated by the City subject to formal approval by the Municipal Council and pursuant to N.J.S.A. 40:60-51.2, which allows a municipality to waive, release, modify or subordinate any terms, covenants, conditions, limitations or reverters imposed in sales and conveyances of lands as to the erection, alteration or demolition of buildings or any other use to be made of land heretofore imposed by said municipality to accomplish the purposes for which such lands were sold and conveyed either at public or private sale including those set forth pursuant to Section 21 of P.L.1971, c. 199 (C.40A:12-21), but only after the public hearing held before such Governing Body, of the holding of which notice describing the lands in question, and the terms, covenants, conditions, limitations or reverters to be waived, released, modified or subordinated, and, if to be modified or subordinated, describing the manner in which the same shall be modified or subordinated, shall first have been given by advertisement published once each week for two weeks in a newspaper published in said municipality or, if no



shall place a filed copy of the fully executed Subordination Agreement and the First Amendment to Agreement for the Sale and Redevelopment of Land with Redeveloper with the Office of City Clerk.

### **STATEMENT**

This Resolution authorizes the Mayor of the City of Newark and/or designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute a Subordination Agreement with Southside View, LLC, 1212 Springfield Avenue, Irvington, New Jersey 07111 (“Redeveloper”) and Citizens Bank, N.A., and New Jersey Housing and Mortgage Finance Agency and First Amendment to Agreement for Sale and Redevelopment of Land, in accordance with N.J.S.A. 40:60-51.2, to enable the Redeveloper to obtain financing necessary for the rehabilitation of the property to create affordable rental or for-sale housing located at 664 South 11<sup>th</sup> Street, 662 South 11<sup>th</sup> Street, 660 South 11<sup>th</sup> Street, 658 South 11<sup>th</sup> Street, 656 South 11<sup>th</sup> Street, 654 South 11<sup>th</sup> Street, 668 South 11<sup>th</sup> Street, 666 South 11<sup>th</sup> Street, and South 11<sup>th</sup> Street, as shown on the official tax map of the City as Block 2617; Lots 69, 70, 71, 87, 72, 73, 74, 75, 85, 86, and 88 (the “Property”), which are located in the South Ward.