



Legislation Text

File #: 17-0533, **Version:** 2

Dept/ Agency: Economic and Housing Development

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

Type of Service: Waiving 20 day period for an ordinance to take effect

Purpose: Tax abatement Ordinance 6PSF-c April 5, 2017 for Montgomery Two Housing Urban Renewal, LLC c/o Pennrose Properties, 230 Wyoming Avenue, Kingston, Pennsylvania 18704, needs to take immediate effect so that the applicant can meet the NJHFMA financing deadline

Ordinance No(s): 6PSF-c adopted on April 5, 2017

Additional Information:

6PSF-d adopted on March 18, 2015

WHEREAS, on March 18, 2015, the Newark Municipal Council adopted Ordinance 6PSF-d granting a long term tax abatement to Montgomery Two Housing Urban Renewal, LLC c/o Pennrose Properties, 230 Wyoming Avenue, Kingston, Pennsylvania 18704, consisting of the construction of one hundred fifty-four (154) affordable housing units and approximately 7,000 square feet of commercial/retail space located at 685-715 Dr. Martin Luther King, Jr. Boulevard and identified on the City tax map as Block 2559, Lot 7 (Central Ward) (the "Project"); and

WHEREAS, the City and Montgomery Two Housing Urban Renewal, LLC, subsequently executed a Financial Agreement, which was authorized by Ordinance 6PSF-d adopted March 18, 2015 governing the Project on June 15, 2015, (the "Original Financial Agreement"); and

WHEREAS, The New Jersey Housing and Mortgage Finance Agency ("NJHMFA") has requested certain changes to the Financial Agreement including correction in the term of years, inclusion of the date, and a change in the definition of "Minimum Annual Service Charge"; and

WHEREAS, these revisions to the Financial Agreement will allow Montgomery Two Housing Urban Renewal, LLC, to close it's financing with NJHMFA; and

WHEREAS, the tax abatement for Montgomery Two Housing Urban Renewal, LLC was amended, advanced and adopted on first reading by the Municipal Council on March 21, 2017 through Ordinance 6F-a(S/AS) and is scheduled for a public hearing, second reading and final passage on April 5, 2017; and

WHEREAS, the Project is being financed, in part, by the New Jersey Housing and Mortgage Finance Agency (the "HMFA"); and

WHEREAS, the HMFA conditioned its financing of the Project upon the approval of the Long Term Tax Abatement; and

WHEREAS, the Redeveloper must obtain the tax abatement for the Project to meet its obligations to HMFA; and

WHEREAS, there is an exigent need for the tax abatement for this project to take effect immediately so that the Redeveloper is able to close on the HMFA financing for the Project within these deadlines; and

WHEREAS, N.J.S.A. 40:69A-181(b) authorizes a Governing Body to adopt a resolution declaring an emergency and determining that an ordinance will take immediate effect so long as at least two-thirds of all the Members of the Governing Body vote in favor of such resolution; and

WHEREAS, the Municipal Council recognizes the exigent need described herein and has determined that it is necessary and appropriate to adopt this resolution pursuant to N.J.S.A. 40:69A-181(b) declaring an emergency and determining that Ordinance 6PSF-a(AS), once adopted by the Municipal Council after public hearing, second reading and final passage, shall take immediate effect in accordance with N.J.S.A.40:69A-181(b) so long as at least two-thirds of all the Members of the Governing Body vote in favor of such resolution and upon approval by the Mayor (or passage over his veto) and publication in accordance with law.

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

1. As a result of the reasons set forth herein and the important public policies enunciated, an emergency is hereby declared to exist as to the implementation of the Tax Abatement for Montgomery Two Housing Urban Renewal, LLC c/o Pennrose Properties, 230 Wyoming Avenue, Kingston, Pennsylvania 18704 and Ordinance 6PSF-c April 5, 2017, once adopted by the Municipal Council after public hearing, second reading and final passage, shall take immediate effect in accordance with N.J.S.A.40:69A-181(b) so long as at least two-thirds of all the Members of the Governing Body vote in favor of such resolution and upon approval by the Mayor (or passage over his veto) and publication in accordance with law.

STATEMENT

This resolution authorizes an emergency to be declared and further authorizes Ordinance 6F-a(S/AS) March 21, 2017, once adopted by the Municipal Council after public hearing, second reading and final passage, to become effective in accordance with N.J.S.A.40:69A-181(b) so long as at least two-thirds of all the Members of the Governing Body vote in favor of such resolution and upon approval by the Mayor (or passage over his veto) and publication in accordance with law, due to the exigent need for this tax abatement to take immediate effect so that Montgomery Two Housing Urban Renewal, LLC c/o Pennrose Properties may close on its financing for the project within the deadlines established by the New Jersey Housing and Mortgage Finance Agency.