



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 21-0363, Version: 1

**Dept./ Agency:** Office of the Mayor

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

**Type of Service:** Rescind Resolution 7R7-a122220 and authorize a Memorandum of Understanding and accept Grant Funding.

**Purpose:** Rescinding Resolution 7R7-a adopted on December 22, 2020 and authorizing a Memorandum of Understanding to research and strategize a plan on how to implement a Guaranteed Income Pilot Program within the City of Newark.

**Entity Name:** Reinvent Stockton Foundation Income

**Entity Address:** 110 North San Joaquin Street, Stockton, California 95202

**Grant Amount:** \$600,000.00

**Funding Source:** Reinvent Stockton Foundation and Mayors for a Guaranteed Income

**Total Project Cost:** \$0.00

**City Contribution:** \$0.00

**Other Funding Source/Amount:** \$0.00

**Contract Period:** September 1, 2020 through December 31, 2024 or until the Program is complete, whichever comes first

**Contract Basis:** ( ) Bid ( ) State Vendor ( ) Prof. Ser. ( ) EUS

( ) Fair & Open ( ) No Reportable Contributions ( ) RFP ( ) RFQ

( ) Private Sale (X) Grant ( ) Sub-recipient ( ) n/a

**Additional Information:**

This resolution rescinds Resolution 7R7-a adopted on December 22, 2020 and all agreements authorized by the same, and provides for a new Memorandum of Understanding with additional funds.

**WHEREAS**, the Reinvent Stockton Foundation (RSF) and Mayors for Guaranteed Income (MGI), both located at 110 North San Joaquin Street, Stockton, California 95202, were established on January 19, 2017 and are premised on the principle that everyone needs and should have an income floor through having a Guaranteed Income Program; and

**WHEREAS**, a Guaranteed Income Program would enable recipients to provide for their most critical needs, as well as provide a cushion for unforeseeable expenses, crises and emergencies; and

**WHEREAS**, RSF is the fiscal sponsor of the Stockton Economic Empowerment Demonstration ("SEED") launched by MGI, a non-profit corporation, which is a sub-project aimed at supporting other cities to adopt a Guaranteed Income Program; and

**WHEREAS**, through MGI, like-minded Mayors, have come together to advocate and network for a Guaranteed Income Program, in the form of direct, reoccurring payments, to its economically disadvantaged residents to thereby create a stronger community and ultimately, for Newark, a stronger, more economically viable City; and

**WHEREAS**, MGI engaged Mayor Ras J. Baraka to explore the viability of implementing a Pilot Program to establish Guaranteed Income Program (“Pilot Program” or “Program”) for the residents of the City of Newark (the “City”); and

**WHEREAS**, because of this engagement, MGI granted Community Foundation of New Jersey (“CFNJ”), of Morristown, New Jersey 07960, One Hundred Thousand Dollars and Zero Cents (\$100,000.00) in grant funds, for State Fiscal Year 2020 (September 1, 2020 through December 31, 2020) for the City to use as a Third-Party Beneficiary of these grant funds; and

**WHEREAS**, MGI and CFNJ have entered into an agreement in which CFNJ will operate as the City’s fiscal sponsor for a 3% fee of the grant funds; and

**WHEREAS**, on December 22, 2020, the Municipal Council adopted 7R7-a, which ratified and authorized the Mayor and/or his designee to accept grant funds in the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) from RSF; and

**WHEREAS**, on December 4, 2020 MGI contacted the City and informed it that they had received additional funding for its program and therefore would be disbursing more money to its program participants; and

**WHEREAS**, on or before January 7, 2021 RSF notified the City of an additional award of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00) for the Guaranteed Income Pilot Program (the “Program”); and

**WHEREAS**, in addition to more money being available for the program, the Jain Family Institute, 568 Broadway, Suite 601, New York, New York 100012 is removed and replaced with MGI as the entity that would research the viability of the Program in the City; and

**WHEREAS**, based on this new award amount and removing the Jain Family as the City’s research for the Program, RSF and MGI has informed the City that it must execute a new Memorandum of Understanding (MOU) to effectuate these changes and accept the grant funds in the amount of Six Hundred Thousand Dollars and Zero Cents (\$600,000.00); and

**WHEREAS**, the City of Newark seeks to execute a MOU to accept these funds, extend the date of the program, and revise other provisions; and

**WHEREAS**, the City of Newark recognizes that RSF and MGI may extend the time of the grant award and provide additional funds if made available; and

**WHEREAS**, the City, RSF, and MGI intend for this resolution and MOU to supersede any prior agreements and to serve as the only resolution and MOU for the Program.

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

1. The Municipal Council rescinds Resolution 7R7-a adopted on December 22, 2020, and all

agreements that were authorized by said resolution.

2. This resolution further ratifies and authorizes the Mayor and/or his designee(s), to enter into a Memorandum of Understanding (MOU) and accept grant funding for Six Hundred Thousand Dollars and Zero Cents (\$600,000.00) from Reinvent Stockton Foundation (RSF) and Mayors for Guaranteed Income (MGI), 110 North San Joaquin Street, Stockton, California 95202, with no City funds required.
3. This resolution and MOU will allow the City to hire a Program Manager to research and strategize a plan on how to implement the Guaranteed Income Pilot Program (the "Program") within the City of Newark.
4. MGI is providing the Community Foundation of New Jersey, of Morristown, New Jersey 07960, the grant amount of Six Hundred Thousand Dollar and Zero Cents (\$600,000.00) for the benefit of the City to implement the Program.
5. CFNJ will operate as the City's Fiscal Sponsor for a 3% fee of the grant funds and all other funds collected and/or raised.
6. CFNJ will reimburse the City for all expenses related to implementing the Program or pay for such expenses outright including the Program Manager's salary, from the grant funds and all other monies collected and/or raised for the Program.
7. The Municipal Council hereby authorizes the Mayor and/or his designee to accept any additional grant funding that may become available, from RSF and MGI to implement the Program within the City of Newark, without requiring Municipal Council approval.
8. The Municipal Council ratifies its authorization from September 1, 2020 to the date of adoption of this authorizing resolution.
9. This MOU shall remain in force and effect from September 1, 2020 until December 31, 2024 or until the Guaranteed Income Pilot Program is complete whichever comes first.

10. No municipal funds, or commitment of municipal resources, nor staff, are required to execute the MOU.
11. A copy of the fully executed MOU and all attachments shall be filled in the Office of the City Clerk and made available for public inspection.

### **STATEMENT**

This resolution rescinds Resolution 7R7-a adopted on December 22, 2020, and ratifies and authorizes the Mayor and/or his designee(s) to enter into and execute a Memorandum of Understanding with Reinvent Stockton Foundation and Mayors for a Guaranteed Income, 110 North San Joaquin Street, Stockton, California 95202, and to accept grant funding in the amount of \$600,000.00, this resolution is ratified from September 1, 2020 to the date of adoption and shall remain in full force and effect until December 31, 2024 or until the Guaranteed Income Pilot Program is completed whichever comes first. No municipal funds or resource are required to enter into this agreement.