



# City of Newark

City Hall  
920 Broad Street  
Newark, New Jersey 07102

## Legislation Text

File #: 12-1900, Version: 1

**Dept/ Agency:** Economic & Housing Development

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

**Type of Service:** Affordable Housing Agreement

**Purpose:** To provide HOME Program funds to subsidize the substantial rehabilitation of ten (10) of the twenty-four (24) units within the four story multi-family rental project. The HOME assisted units will be affordable to low and very low-income individuals.

**Entity Name:** Integrity, Inc.

**Entity Address:** 103 Lincoln Park, Newark, New Jersey 07102

**Grant Amount:** \$424,645.00

**Funding Source:** HUD, HOME Funding

**Contract Period:** Two (2) years from the date of adoption of this authorizing resolution by the Newark Municipal Council

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

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

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

**List of Property:**

**(Address/Block/Lot/Ward)**

5-7 Lincoln Park Newark, New Jersey 07102 (: /Block 118/ Lot 25/Central Ward

**Additional Information:**

Project Name: Mary's House

**WHEREAS**, the City of Newark desires to enter into an Affordable Housing Agreement (the "Agreement") with Integrity, Inc. (the "Entity") having its principal place of business at 103 Lincoln Park, Newark, New Jersey 07102; and

**WHEREAS**, the City of Newark desires to provide the entity with Federal HOME program funds in the form of a deferred loan for a period of fifteen (15) years, pursuant to the HOME program (24 CFR part 92) and any amendments thereto; and

**WHEREAS**, the Agreement is for the amount of Four Hundred Twenty-Four Thousand Six Hundred Forty-Five Dollars (\$424,645.00) in federal HOME program funds for the Mary's House Project to be located at 5-7 Lincoln Park, Newark, New Jersey 07102 (Block 118, Lot 25) (Central Ward) (the "Project") and such funds will subsidize the costs to substantially rehabilitate ten (10) of the twenty-four (24) units within the four story multi-family rental project. The Project will provide permanent supportive housing for homeless individuals undergoing substance abuse recovery. The units assisted with HOME program funds must be occupied by low and very low income individuals; and

**WHEREAS**, it is in the best interest of the City of Newark and the Department of Economic and Housing Development to establish contractual guarantees and procedures by which the City of Newark will ensure the Entity's compliance with the requirements of the federal HOME program for

the time and in the manner set forth in the Agreement for the receipt of said HOME program funds.

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

1. The Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development are hereby authorized to enter into and execute a Affordable Housing Agreement (the "Agreement") with Integrity, Inc. (the "Entity"), having its principal place of business at 103 Lincoln Park, Newark, New Jersey 07102 for Federal HOME program funds in the amount of Four Hundred Twenty-Four Thousand Six Hundred Forty-Five Dollars (\$424,645.00), to subsidize the costs to substantially rehabilitate ten (10) of the twenty-four (24) units within the four story multi-family rental project known as the Mary's House Project (the "Project"). The Project will be located at 5-7 Lincoln Park, Newark, New Jersey 07102 (Block 118, Lot 25), (Central Ward).
2. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to establish a declaration of covenants, conditions and restrictions to ensure that the Project remains affordable for a period of fifteen (15) years. Said covenants, conditions and restrictions shall run with the land and bind the Entity and any subsequent purchasers and owners, their heirs, executors, administrators and assigns and all persons claiming by, through or under their heirs, executors, administrators and assigns with this Agreement for a period of fifteen (15) years.
3. The mortgage and mortgage note given by the Entity shall ensure compliance with the requirements of the HOME program, pursuant to the HOME program statute and regulations (24 CFR Part 92).
4. The Entity shall be responsible for the recordation of the final fully executed Agreement, the Mortgage and Mortgage Note and any amendments thereto in the Office of the Essex County Register's Office.
5. The Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to effectuate certain business terms and conditions related to the Agreement annexed hereto as permitted by New Jersey Law and may enter into subordination agreements, access and right of entry agreements, mortgages and other relevant documents related to this fund allocation in a form subject to the approval of the Corporation Counsel. In addition, the Deputy Mayor/Director of the Department of Economic and Housing Development is hereby authorized to enter into a maximum of two (2) six (6) month extensions of the term of the contract and any contract timelines and milestones, provided that any contract timelines and milestones are not extended beyond the two (2) permitted six (6) month extensions, subject to full written disclosure (in the form of a signed memorandum to be submitted prior to adoption) to the Newark Municipal Council by the Deputy Mayor/Director of the Department of Economic and Housing Development and the approval of the Corporation Counsel.
6. Disbursement of the federal HOME program funds for the Project in the amount of Four Hundred Twenty-Four Thousand Six Hundred Forty-Five Dollars (\$424,645.00) shall be subject to the terms and conditions set forth in the Agreement, which is attached hereto.

7. The Entity must adhere to all milestones and timelines in the Project Schedule approved by the Department of Economic and Housing Development. The Project completion is further defined in the Agreement in Exhibit D. The property must conform to the City of Newark Design and Construction Standards Guidelines for New Home Construction, including standards for environmental sustainability and energy efficiency, as established by the Department of Economic and Housing Development. Should the Entity fail to complete the project within the specified time frame, then the City, in its sole discretion, in addition to any other remedy available by the Agreement or as allowed by law, may direct the Entity to repay all HOME program funds expended on the project back to the City.
  8. The term of the Agreement shall be for a period of two (2) years from the date of adoption of this authorizing resolution by the Municipal Council.
  9. The Entity must remain in compliance with Municipal, State and Federal laws including, but not limited to, the City of Newark’s Minority Set-Aside Ordinance (6S&FD 040595) and its Affirmative Action Plan (7RB-P 030195) and Federal Executive Order 11246 (as amended by Executive Orders 11375 and 12086) with respect to the award of goods and services. The Entity has agreed to ensure that a minimum of 40% of the workers employed during the construction of the Project shall be Newark residents and that 30% of all contractors, subcontractors and suppliers shall be Newark companies.
  10. Units assisted with HOME program funds must be designated upon execution of the Agreement and must remain fixed units for the duration of the affordability period. Households seeking to occupy a HOME assisted unit must be certified prior to occupancy and recertified annually.
  11. Attached hereto is a certification from the Municipal Comptroller of the City of Newark, which states:
    - a) there are sufficient funds in the amount of Four Hundred Twenty-Four Thousand Six Hundred Forty-Five Dollars (\$424,645.00) for the purpose set forth herein and above; and
    - b) that the line appropriation of official budget, which shall be charged as follows:
- | Bus. Unit | Department | Division/Proj. | Activity | Account | Budget |
|-----------|------------|----------------|----------|---------|--------|
| NW051     | G11        | D11D0          | A        | 72090   | B2011  |
12. An executed copy of said Agreement shall be filed with the Office of the City Clerk by the Deputy Mayor/Director of Economic and Housing Development, along with this resolution.

**STATEMENT**

This resolution authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute an Affordable Housing Agreement with Integrity, Inc., 103 Lincoln Park, Newark, New Jersey 07102, for Federal HOME

program funds in the amount of Four Hundred Twenty-Four Thousand Six Hundred Forty-Five Dollars (\$424,645.00), to subsidize the costs to substantially rehabilitate ten (10) of the twenty-four (24) units within the four story multi-family rental project. The HOME assisted units must remain affordable for a period of fifteen (15) years pursuant to the requirements under the HOME Program (24 CFR Part 92).