



Legislation Text

File #: 16-1219, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Need for Housing Project

Purpose: To support New Jersey Housing and Mortgage Finance Agency Low Income Housing Tax Credit Application for funding a project known as 540 Broad Street through the Low Income Housing Tax Credit Program.

Entity Name: 540 Broad Street Owners, LLC

Entity Address: 1865 Palmer Avenue, Suite 203, Larchmont, New York 10538

Funding Source: New Jersey Housing Mortgage Finance Agency Program (Bond Financing and Low Income Housing Tax Credit)

Total Project Cost: \$107,515,000.00

City Contribution: N/A

Other Funding Source/Amount: Sponsor Equity, Mezzanine Debt Financing

List of Properties:

(Address/Block/Lot/Ward)

540 Broad Street/Block 24, Lot 29/Central Ward

Additional Information:

WHEREAS, 540 Broad Street Owners LLC (hereinafter referred to as the “**Sponsor**”) proposes to undertake the adaptive re-use of an existing, underutilized 400,000 square foot office building into a 266 unit affordable and market rate housing project for families, including office/non-residential space, retail space, and all related improvements and amenities (hereinafter, the “**Project**”), pursuant to the provisions of the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended (N.J.S.A. 55:14K-1 et seq.), the rules promulgated thereunder at N.J.A.C. 5:80-1.1 et seq., and all applicable guidelines promulgated thereunder (the foregoing hereinafter collectively referred to as the “**HMFA Requirements**”) within the City of Newark (hereinafter referred to as the “**Municipality**”) on a site described as Lot 29, Block 24 as shown on the Official Assessment Map of the City of Newark, County of Essex, New Jersey, which property is also known as 540 Broad Street, New Jersey (the “**Project Site**”); and

WHEREAS, the Project will be subject to the HMFA Requirements and the mortgage and other loan documents executed between the Sponsor and the New Jersey Housing and Mortgage Finance Agency (hereinafter referred to as the “**Agency**”); and

WHEREAS, the Project will be subject to requirements of the New Jersey Department of Community Affairs or its designee (hereinafter referred to as the “**Department of Community Affairs**”) and the mortgage and other loan documents executed between the Sponsor and the Commissioner of the Department of Community Affairs; and

WHEREAS, pursuant to the HMFA Requirements, the Governing Body of the Municipality

hereby determines that there is a need for this housing project in the Municipality.

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

1. The Council finds and determines that the 540 Broad Street, LLC Project proposed by the Sponsor meets or will meet an existing housing need;

2. The Council hereby finds and determines that the 266 units affordable and market rate rental Project proposed by the Sponsor meets or will meet all or part of the municipality's low and moderate income housing obligation;

3. The Council does hereby adopt the within Resolution and makes the determination and findings herein contained by virtue of, pursuant to, and in conformity with the provisions of the HMFA Law to enable the Agency to process the Sponsor's application for Agency funding to finance the Project;

STATEMENT

This Resolution authorizes the Newark Municipal Council to support 540 Broad Street Owners, LLC application for NJHMFA Low Income Housing Tax Credit to convert the former Verizon office building at 540 Broad Street, located at the corner of Broad Street and Lombardy Street in the City of Newark (the "Project"). The Project will include approximately 266 apartments, 60,000 gross square feet for office/nonresidential space, and up to 17,000 square feet of retail space on the ground floor. Of the total units 20% of the apartments will be set aside for households with incomes at or below 50 percent of the Essex County Area Median Income.