



Legislation Text

File #: 20-0011, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Assignment of Contract Agreement

Purpose: To consent to the assignment of the Financial Agreement from Cathedral Park Associates, LP to Cathedral Park Apartments Urban Renewal, LLC for an affordable housing project located at 147-153 Clifton Avenue.

Entity Name: Cathedral Park Urban Renewal Apartments, LLC

Entity Address: 691 Elizabeth Avenue, Suite 2, Newark, New Jersey 07112

Contract Amount: \$0.00

Funding Source: \$0.00

Contract Period: N/A

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)

147-153 Clifton Avenue/Block 491/Lot 54

Additional Information:

Original Tax Abatement granted by Resolution 7RB-k adopted on September 16, 1981.

WHEREAS, on September 16, 1981, the Municipal Council adopted Resolution 7RB-k, granting a long term tax abatement to Cathedral Park Associates, LP (“Assignor”) pursuant to the Limited Dividend Non-Profit Housing Corporations or Associations Law, N.J.S.A. 55:16-1 et seq., for the construction of a forty-eight (48) unit affordable housing project located at 147-153 Clifton Avenue, also known as 88-92 Mt. Prospect Avenue, and designated as Block 491, Lot 54 on the Official Tax Map of the City of Newark (the “Project”); and

WHEREAS, as authorized under Resolution 7RB-k adopted on September 16, 1981, the City of Newark (The “City”) entered into a Financial Agreement with Assignor governing the tax abatement for the Project (the “Financial Agreement”); and

WHEREAS, as set forth in Sections 4 and 9 of the Financial Agreement, the Project shall be exempt from taxation for a period equal to the lesser of: (i) fifty (50) years from the completion of the Project or (ii) the term of the first mortgage to be placed upon the property in connection with the construction or completion of the Project; and

WHEREAS, the term of the first mortgage placed upon the property was February 1, 2024; and

WHEREAS, the Assignor has entered into a Purchase and Sale Agreement with Cathedral Park Apartments Urban Renewal, LLC, 691 Elizabeth Avenue, Suite 2, Newark, New Jersey 07112

("Assignee"); and

WHEREAS, as set forth in Section 21(a) of the Financial Agreement, the City must consent to the transfer of the Project and the assignment of the Financial Agreement; and

WHEREAS, the Assignee has filed an application with the City (the "Application") seeking City consent for the transfer of the Project and the Financial Agreement from the Assignor to the Assignee; and

WHEREAS, the City has reviewed the Application and has determined that the Assignee has the capacity and experience to own and operate the Project and to assume all of the rights and obligations of the Assignor under the Financial Agreement; and

WHEREAS, the Municipal Council wishes to adopt this resolution in order to reflect the City's consent to the transfer of the Project and the Financial Agreement to the Assignee and to authorize the Mayor to execute, on behalf of the City, an Assignment and Assumption Agreement between the City, Assignor and Assignee.

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

1. The City hereby consents to: (i) the conveyance of the Project by Cathedral Park Associates, LP ("Assignor") to Cathedral Park Apartments Urban Renewal, LLC ("Assignee"); and (ii) the assignment of the Financial Agreement, governing the Project from the Assignor to the Assignee.

2. The Municipal Council hereby authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development to enter into and execute, on behalf of the City of Newark, the Assignment and Assumption Agreement of Financial Agreement amongst the City, the Assignor and the Assignee (the "Assignment Agreement") in the form attached hereto.

3. The long term tax abatement for the Project will expire on February 21, 2024, and will remain in effect until such time provided that the Assignee complies with all applicable State statutes, City Ordinances and Resolutions and terms of the Assignment Agreement and Financial Agreement. This resolution will not extend the period of the tax abatement beyond the date of expiration.

4. The Assignee shall pay all outstanding amounts due to the City, including without limitation, all water and sewer charges and all other amounts due under the Financial Agreement, within thirty (30) days of the adoption of this resolution.

5. The Deputy Mayor / Director of the Department of Economic and Housing Development shall file the Assignment Agreement, once fully executed, with the Office of the City Clerk.

6. This resolution shall take effect immediately.

STATEMENT

This resolution authorizes and memorializes the City's consent to: (i) the transfer a forty eight (48) unit affordable housing project located at 147-153 Clifton Avenue, also known as 88-92 Mt. Prospect Avenue, and designated as Block 491, Lot 54 on the Official Tax Map of the City of Newark (the "Project") by Cathedral Park Associates, LP ("Assignor") to Cathedral Park Apartments Urban Renewal, LLC (the "Assignee"); and to (ii) the assignment of the Financial Agreement, governing the Project from the Assignor to the Assignee. This resolution also authorizes the Mayor and/or his designee, the Deputy Mayor/Director of the Department of Economic and Housing Development, to enter into and execute, on behalf of the City of Newark, an Assignment and Assumption Agreement with the Assignor and the Assignee in the form attached to this resolution.