



Legislation Text

File #: 19-1775, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Affordable Housing Agreement Loan

Purpose: Amending the Note, Mortgage, Loan Agreement, Guaranty and Subordination Agreement between New Horizons Phase I Urban Renewal Associates, L.P. and the Newark Housing Authority by entering into an Omnibus Amendment Agreement to increase the Parties' prior loan amount from \$8,798,296.00 to \$9,185,386.30.

Entity Name: New Horizons Phase I Urban Renewal Associates, L.P.

Entity Address: 3 East Stow Road, Suite 100, P.O. Box 994, Marlton, New Jersey 08053

Grant Amount: \$0.00

Funding Source: N/A

Contract Period: Date of adoption to remain in effect for the period of affordability of fifty (50) years and HOME program funds must be expended within forty-eight (48) months from the date of adoption

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

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

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

List of Property:

(Address/Block/Lot/Ward)

220-280 Irvine Turner Boulevard/Block 2580.1, Lot 2.04/Central Ward

Additional Information:

Resolution 7R3-h(as) adopted on May 22, 2013

Resolution 7R2-e(as) adopted on May 1, 2017 established a Deed Restrictive Affordable Housing Agreement between New Horizons Phase I Urban Renewal Associates, L.P.

WHEREAS, the Municipal Council of the City of Newark, New Jersey (the "City"), approved a Deed Restrictive Affordable Housing Agreement (the "Agreement") by Resolution 7R2-e(AS) on May 1, 2017 with New Horizons Phase I Urban Renewal Associates, L.P. (the "Entity"), 3 East Stow Road, Suite 100, P.O. Box 994, Marlton, New Jersey 08053, which was executed on March 23, 2019; and

WHEREAS, the Entity and the Newark Housing Authority ("NHA"), 500 Broad Street, Newark, New Jersey 07102, entered into Note, Mortgage, Loan, Guaranty and Subordination Agreements dated April 12, 2017 (the "Loan Documents"); and

WHEREAS, the Entity and NHA desire to amend the Loan Documents, specifically all references to the loan amount, to increase the amount of the loan through an Omnibus Amendment Agreement from Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00) to Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30), representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30); and

WHEREAS, the additional loan proceeds of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30), as evidenced by the amendment to the Note, shall be paid by NHA to Hew Horizons upon execution of the Omnibus Amendment Agreement; and

WHEREAS, all other terms and conditions of the Loan Documents remain the same.

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 Acting Director of the Department of Economic and Housing Development are hereby authorized to acknowledge and enter into an Omnibus Amendment Agreement between New Horizons Phase I Urban Renewal Associates, L.P. (the "Entity"), 3 East Stow Road, Suite 100, P.O. Box 994, Marlton, New Jersey 08053, and the Newark Housing Authority ("NHA"), 500 Broad Street, Newark, New Jersey 07102 .

2. The Note is hereby amended as follows: All references in the Note to "Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00)" are hereby deleted and the following shall be inserted in its place: "**Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30)**", representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).

3. The Mortgage is hereby amended as follows: All references in the Mortgage to "Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00)" are hereby deleted and the following shall be inserted in its place: "**Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30)**", representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).

4. The Loan Agreement is hereby amended as follows: All references in the Loan Agreement to "Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00)" are hereby deleted and the following shall be inserted in its place: "**Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30)**", representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).

5. The Guaranty is hereby amended as follows: All references in the Guaranty to "Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00)" are hereby deleted and the following shall be inserted in its place: "**Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30)**", representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).

6. The NHA Subordination Agreement is hereby amended as follows: All references in the NHA Subordination Agreement to "Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00)" are hereby deleted and the following shall be inserted in its place: "**Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30)**", representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).

7. The additional loan proceeds of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30) as evidenced by the amendment to the Note herein shall be paid by NHA to New Horizons upon the execution of this Omnibus Amendment.

8. The parties acknowledge and agree that (i) the indebtedness evidenced by the Junior Loan Documents (as defined in the NHA Subordination Agreement and the HOME Subordination Agreement) is and remains subordinate to the indebtedness evidenced by the Senior Loan Documents (as defined in the NHA Subordination Agreement and the HOME Subordination Agreement), and (ii) all of the terms and provisions of the NHA Subordination Agreement and the HOME Subordination Agreement are hereby specifically re-affirmed as if the original amount of the NHA Loan was \$9,185,386.30. In addition, all loans subordinate to the NHA Loan hereby remain subordinate to the NHA Loan.

STATEMENT

This Resolution authorizes Mayor and/or his Designee, the Acting Director of the Department of Economic and Housing Development to acknowledge and execute the Omnibus Amendment Agreement between New Horizons Phase I Urban Renewal Associates, L.P. (the "Entity"), 3 East Stow Road, Suite 100, P.O. Box 994, Marlton, New Jersey 08053, and the Newark Housing Authority ("NHA"), 500 Broad Street, Newark, New Jersey 07102, to amend the loan amount of

Eight Million Seven Hundred Ninety-Eight Thousand Two Hundred Ninety-Six Dollars and Zero Cents (\$8,798,296.00) to Nine Million One Hundred Eighty-Five Thousand Three Hundred Eighty-Six Dollars and Thirty Cents (\$9,185,386.30), representing an increase of Three Hundred Eighty-Seven Thousand Ninety Dollars and Thirty Cents (\$387,090.30).