



## Legislation Text

File #: 18-1548, Version: 1

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

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

**Type of Service:** Loan Agreement

**Purpose:** Resolution amending Resolution 7R2-k(as) adopted on July 11, 2018 authorizing the execution of the contract for loan guarantee assistance under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5308 for funds awarded under the United States Department of Housing and Urban Development Section 108 Loan Guarantee Program.

**Entity Name:** United States Department of Housing and Urban Development

**Entity Address:** 451 7<sup>th</sup> Street S.W., Washington, DC 20410

**Loan Amount:** \$3,709,000.00

**Funding Source:** United States Department of Housing and Urban Development (HUD)

**Loan Term:** Twenty (20) years from the date of execution and delivery of the contract by the City and HUD

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

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

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

**Additional Information:**

Application for loan funds authorized by Resolution 7R2-a(as) adopted on November 1, 2017.

**WHEREAS**, Section 108 of the Housing and Community Development Act of 1974 (42 U.S.C. § 5308) (“Section 108”), authorizes the United States Department of Housing and Urban Development (“HUD”) to guarantee loans as part of its Community Development Block Grant (“CDBG”) program; and

**WHEREAS**, by Resolution 7R2-k(AS), adopted July 11, 2018, and annexed herein as Exhibit “A”, (the “Authorizing Resolution”) the Municipal Council has authorized the City to enter into a Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act of 1974 (the “Contract”, which the City executed on August 28, 2018 and is awaiting execution by HUD; and which is annexed herein as Exhibit “B”), and related documents and certifications which were needed for the establishment of deposit accounts with financial institutions; and

**WHEREAS**, Paragraph 2 of the Authorizing Resolution, which authorizes the City “to request advances from HUD pursuant to the terms and conditions of the Contract” incorrectly states that the Contract is “dated as of January 19, 2018”; and

**WHEREAS**, the City wishes to amend the Authorizing Resolution to authorize the Mayor and/or his designee, the Director of the Department of Economic and Housing Development, to request advances from HUD pursuant to the terms of the Contract, upon full execution of the

Contract.

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

1. Resolution 7R2-k(AS) adopted on July 11, 2018, is hereby amended to approve and authorize the Mayor and/or his designee, the Director of the Department of Economic and Housing Development to request advances pursuant to the terms and conditions of the Contract for Loan Guarantee Assistance Under Section 108 of the Housing And Community Development Act of 1974, As Amended, 42 U.S.C. § 5308, with the United States Department of Housing and Urban Development, 451 7<sup>th</sup> Street SW, Washington, D.C. 20410, upon the full execution of the Contract.

2. Except as amended herein, all other terms and conditions of the Resolution 7R2-k(AS) adopted on July 11, 2018, shall remain in full force and effect.

3. The term of the Contract shall be for a period of twenty (20) years from the date of execution and delivery of the Contract by the City and HUD.

**STATEMENT**

This Resolution authorizes the amendment of Resolution 7R2-k(AS), adopted July 11, 2018, to remove an incorrect reference which misstated the date of the Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. § 5308, which was executed by the City on August 28, 2018.