



## Legislation Text

File #: 12-0057, Version: 1

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

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

**Type of Service:** First Affordable Housing Agreement with La Plaza Urban Renewal Associates L.P.

**Purpose:** HOME Program funds provided to subsidize the rehabilitation costs of eleven (11) rental units within the 30 unit project. The units will be occupied by very low income households

**Entity Name:** La Plaza Urban Renewal Associates, L.P.

**Entity Address:** 77 Park Street, Montclair, New Jersey 07042

**Grant Amount:** \$372,000.00

**Funding Source:** HUD HOME Funding

**Contract Period:** From the date of adoption through March 30, 2014

**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)

132-136 Broad Street, Block 522, Lot 34.05, North Ward

138-138 ½ Broad Street, Block 522, Lot 34.04, North Ward

140-142 Broad Street, Block 522, Lot 34.03, North Ward

142 ½ -144 Broad Street, Block 522, Lot 34.02, North Ward

146-148 Broad Street, Block 522, Lot 34.01, North Ward

### Additional Information:

N/A

**WHEREAS**, the City of Newark desires to enter into an Affordable Housing Agreement (the "Agreement") with La Plaza Urban Renewal Associates L.P. (the "Entity") having its principal place of business at 77 Park Street, Montclair, New Jersey 07042; and

**WHEREAS**, the City of Newark desires to provide the Entity with Federal HOME program funds, in the amount of Three Hundred Seventy-Two Thousand Dollars (\$372,000.00) pursuant to the HOME program (24 CFR part 92) and any amendments thereto; and

**WHEREAS**, the Agreement is for the Federal HOME program funds for The La Plaza Project to be located at 132-136 Broad Street (Block 522, Lot 34.05), 138-138 ½ Broad Street (Block 522, Lot 34.04), 140-142 Broad Street (Block 522, Lot 34.03), 142 ½ -144 Broad Street (Block 522, Lot 34.02) and 146-148 Broad Street (Block 522, Lot 34.01) in the North Ward (the "Project") and such funds will be used to subsidize the rehabilitation costs of five (5) three-story brownstones, each with six (6) units totaling thirty (30) rental housing units. HOME program funds are designated for eleven (11) units in the project and will be affordable to very low income households. The unit mix consists of twenty-four (24) two-bedroom units, five (5) three-bedroom units, and one (1) four bedroom unit. A wide range of social services will be provided to the tenants including, but not limited to, job training and employment seminars, health screenings, vaccinations, personal finance management, health and wellness activities; 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 First Affordable Housing Agreement with La Plaza Urban Renewal Associates, L.P. (the "Entity") for Federal HOME program funds in the amount of Three Hundred Seventy Two Thousand Dollars (\$372,000.00) in federal HOME program funds to subsidize the rehabilitation costs of five three-story brownstones, each with six (6) units totaling thirty (30) rental housing units to be occupied by very low income households. HOME program funds are designated for eleven (11) units in the project. The La Plaza Project will be located at 132-136 Broad Street (Block 522, Lot 34.05), 138-138½ Broad Street (Block 522, Lot 34.04), 140-142 Broad Street (Block 522, Lot 34.03), 142 ½ -144 Broad Street (Block 522, Lot 34.02) and 146-148 Broad Street (Block 522, Lot 34.01) in the North 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. 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 ten (10) years, mortgage and mortgage note to ensure compliance with the requirements of the HOME program, pursuant to the HOME program statute and regulations (24 CFR Part 92).
3. The Entity shall be responsible for the recordation of the final fully executed Agreement and Mortgage and any amendments thereto in the Office of the Essex County Register's Office.
4. 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 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 six 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 permitted six 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.
5. Disbursement of the federal HOME program funds for the project in the amount of Three Hundred Seventy Two Thousand Dollars (\$372,000.00) shall be subject to the terms and

conditions set forth in the Agreement, which is attached hereto.

6. 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 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.
7. A copy of this resolution, the final fully executed Agreement authorized by this resolution and any further amendments, authorized herein, and the certification of funds shall be placed on file in the Office of the City Clerk by the Department of Economic and Housing Development.
8. The contract period for this project shall run from the date of adoption until March 30, 2014.
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 (7RBP 030195) and Federal Executive Order 11246 (as amended by Executive Orders 1137 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. Households seeking to occupy a HOME assisted unit must be certified prior to occupancy and recertified annually.
11. The Entity must execute the Agreement, which is attached hereto no later than Forty-Five (45) days from the date of approval from the Municipal Council approval or the Agreement will be null and void.
12. Attached hereto is a certification from the Municipal Comptroller of the City of Newark which states (1) that there are sufficient funds for the purpose set forth hereinabove and (2) that the line appropriation of official budget which shall be charged as follows:

Department	Division/Proj.	Activity	Account	Budget Ref	G09
D1930	A	72040	B2009		

## **STATEMENT**

Passage of this resolution will permit 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 (“The Agreement”) with (“the Entity”) for Federal HOME program funds in the amount of Three Hundred Seventy Two Thousand Dollars (\$372,000.00) to subsidize the rehabilitation costs of five three-story brownstones, each with six (6) units totaling thirty (30) rental housing units to be occupied by very low income households. HOME program funds are designated for eleven (11) units in the project. The La Plaza Project will be located at 132-136 Broad Street (aka Block 522, Lot 34.05), 138-138½ Broad Street (Block 522, Lot 34.04), 140-142 Broad Street (Block 522, Lot 34.03), 142½ -144 Broad Street (Block 522, Lot 34.02) and 146-148 Broad Street (Block 522, Lot 34.01) in the North Ward. The HOME assisted units must remain affordable for a period of ten (10) years pursuant to the requirements under the HOME Program regulations (24 CFR Part 92).