



Legislation Text

File #: 21-0553, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Resolution Endorsing

Purpose: Resolution of the Municipal Council Consenting to Certain Transfers of Membership Interest in Hawthorne Avon Mapes, L.P.

Additional Information:

Resolution 7Ra(S) adopted on May 8, 2007.

Hawthorne Avon Mapes, L.P., to transfer the membership interest of its general partner, Hawthorne Avon, Inc., to CAPC South Ward, LLC.

WHEREAS, Hawthorne Avon Mapes, L.P. (the “Entity”), previously applied for a tax exemption pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, N.J.S.A. 55:14K-1 et seq. (the “HMFA Law”) for a project to construct nineteen (19) affordable housing units on real property commonly known as 132-136 Hawthorne Avenue, 79-81 Mapes Avenue, 500-502 Avon Avenue, and 504-512 Avon Avenue, Newark, New Jersey 07107 identified on the Official Tax Map of the City of Newark, as Block 3571, Lot 40; Block 3657, Lot 12; Block 2642, Lot 52; Block 2641, Lots 1, 2, 3, 4 (collectively, the “Project”); and

WHEREAS, on May 8, 2007, the Municipal Council adopted Resolution 7Ra(S) granting a thirty (30) year tax abatement for the Project and authorizing the execution of the “Financial Agreement” (the “Agreement”) memorializing the terms and conditions applicable to the tax exemption; and

WHEREAS, the Entity participated in the HMFA’s Low Income Housing Tax Credit Program (the “LIHTC Program”); and

WHEREAS, the City of Newark (the “City”) previously provided Federal HOME Funding to support the development of the properties owned by the Entity; and

WHEREAS, the general partner of the Entity is Hawthorne Avon, Inc. (the “General Partner”); and

WHEREAS, the General Partner is seeking to transfer its membership interest in the Entity to CAPC South Ward, LLC as listed on Exhibit A attached hereto in connection with the LIHTC Program; and

WHEREAS, Section 8.1 of the Agreement provides as follows:

Any change made in the ownership of the Project, or which would materially affect the terms of the Agreement shall be void, unless approved by the Municipal Council. It is understood and agreed that the “City” on written application by the “Entity,” will not unreasonably withhold its consent to a

sale of the Project and the transfer of the Financial Agreement to an “Entity” or housing sponsor eligible to operate under the “Law” provided the “Entity” is not in default regarding any performance required of it hereunder and full compliance with the provisions of N.J.S.A. 55:14k-1, et seq., has occurred and the “Entity’s” obligation under its agreement with the “City” is fully assumed by the transferee; and

WHEREAS, the Entity represented that in May 2018, HMFA approved the transfer of membership interest and said approval is attached hereto as Exhibit B; and

WHEREAS, the Entity is requesting the City’s consent to such transfers.

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

1. The City hereby consents to Hawthorne Avon Mapes, L.P. to transfer the membership interest of its general partner, Hawthorne Avon, Inc., to CAPC South Ward, LLC, as listed on Exhibit A attached hereto, for a thirty (30) year tax abatement, pursuant to the New Jersey Housing and Mortgage Finance Agency Law of 1983, as amended and supplemented, N.J.S.A. 55:14k-1 et seq., for a Project to construct nineteen (19) affordable housing units on real property commonly known as 132-136 Hawthorne Avenue, 79-81 Mapes Avenue, 500-502 Avon Avenue, and 504-512 Avon Avenue, Newark, New Jersey 07107 identified on the Official Tax Map of the City of Newark, as Block 3571, Lot 40; Block 3657, Lot 12; Block 2642, Lot 52; Block 2641, Lots 1, 2, 3, 4.

2. The ownership of the Entity, as set forth in Exhibit A hereto, is hereby approved.

3. The Entity shall submit a copy of its amended Certificate of Formation filed with the Secretary of the State of New Jersey to the City of Newark.

4. All provisions of Resolution 7Ra(S), adopted on May 8, 2007, and the terms and conditions of the Financial Agreement shall remain in effect.

5. This Resolution shall take effect immediately.

STATEMENT

This Resolution provides the City’s consent for Hawthorne Avon Mapes, L.P., to transfer the membership interest of its general partner, Hawthorne Avon, Inc., to CAPC South Ward, LLC.