



City of Newark

City Hall
920 Broad Street
Newark, New Jersey 07102

Legislation Text

File #: 16-0897, Version: 1

Dept/ Agency: Economic and Housing Development

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

Type of Service: Grant Agreement

Purpose: To grant financial assistance for a project consisting of a one(1) three (3) family house for a total of three (3) single family residential rental apartment units to be built in the South Ward area to be known as the "310-316 Clinton Avenue Project" and identified on the official tax map of the City as Block 2669, Lot 11(South Ward).

Entity Name: Ascension Capital Partners I., LLC.

Entity Address: 21 Fulton Street, Newark, New Jersey 07102

Grant Amount: \$40,000.00

Funding Source: Community and Economic Development Dedicated Trust Fund

Total Project Cost: \$451,753.00

City Contribution: \$40,000.00

Other Funding Source/Amount: New Jersey Community Capital, Developer Equity/\$411,753.00

Contract Period: Commence on the date of execution and delivery of the Grant Agreement by the Entity and the City and expire upon the City's issuance of a Certificate of Completion for the Project as provided in the Grant Agreement

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: (if applicable)

(Address/Block/Lot/Ward)

310-316 Clinton Avenue in the City of Newark, New Jersey, 07102 and identified on the official tax map of the City as Block 2669, Lot 11, (South Ward).

Additional Information:

WHEREAS, Ascension Capital Partners I, LLC, a New Jersey limited liability company 21 Fulton Street, Newark, New Jersey 07102 (the "**Entity**"), desires to renovate and develop the real property located at 310-316 Clinton Avenue (Block 2669, Lot 11) in the City of Newark, New Jersey (the "**Property**"), and renovate to construct one (1) three family house for a total of three (3) residential rental apartment homes to be built in the South Ward area to be known as the "316 Clinton Avenue Project" (the "**Project**"); and

WHEREAS, the Project is located within an area in need of redevelopment as defined under the Local Redevelopment and Housing Law, N.J.S.A. 40A:12A-1 et seq. (the "**LRHL**"), and is governed by the South Ward Redevelopment Plan, as amended (the "**Redevelopment Plan**"); and

WHEREAS, the Project currently has a significant funding gap that must be bridged in order to make the Project financially feasible; and

WHEREAS, N.J.S.A. 40A:12A-8(f) of the LRHL authorizes municipalities to provide grants to redevelopers to provide financial assistance for the performance of redevelopment activities in order to implement redevelopment projects in accordance with redevelopment plans; and

WHEREAS, the Project qualifies for financial assistance since it is located within a redevelopment area and is being performed in order to implement an approved Redevelopment Plan; and

WHEREAS, on March 11, 2014, the Newark Municipal Council adopted Resolution 7R3-a (S) the City's conveyance of certain abandoned properties and City-owned properties, including the Property, to Community Asset Preservation Corporation ("**CAPC**"), as Redeveloper pursuant to the terms and conditions of that certain Redevelopment Agreement, dated as of May 21, 2014, by and between the City and CAPC, (the "**Redevelopment Agreement**"); and

WHEREAS, CAPC assigned all of its rights to acquire the Property from the City and to rehabilitate the Property to the Ascension Capital Partners, LLC ("**ACP**"), pursuant to Assignment Redevelopment Agreement Property, dated as of June 8, 2016, by and between CAPC and Ascension Capital Partners, LLC ("**ACP**"), a New Jersey limited liability company (the "**Assignment**"); and

WHEREAS, on June 8, 2016 and acting pursuant to his authority as set forth in Section 8.1(a) of the Redevelopment Agreement, the City of Newark Director of of Economic and Housing Development approved the Assignment of the Property from CAPC to ACP by letter dated, June 8, 2016; and

WHEREAS, the Newark Municipal Council recognizes the need to complete the above Project and desires to finance the making of a capital grant in the amount Forty Thousand Dollars and Zero Cents (\$40,000.00) to the Ascension Capital Partners, LLC to be used to renovate and develop the Property and

WHEREAS, the City further desires to enter into a grant agreement with the ACP to provide them with such capital grant in the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00), with funds for this grant to be provided from the Community and Economic Development Dedicated Trust Fund established under Resolution 7Rg November 6, 1985.

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 each hereby authorized to enter into and execute a grant agreement with , Ascension Capital Partners I, LLC, a New Jersey limited liability company 21 Fulton Street, Newark, New Jersey 07102, in the form attached hereto ("**Grant Agreement**"), in the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) from the City's Community and Economic Development Dedicated Trust Fund (the "**Grant Funds**"), to be used as financing for the renovation of the Property.
2. The Deputy Mayor/Director of the Department of Economic and Housing Development is

hereby authorized to establish and record a declaration of covenants, conditions and restrictions to ensure that the City shall be repaid the full amount of the Grant Funds disbursed to the Entity upon the occurrence of an event of default under the Grant Agreement by the Entity by requiring the Entity to execute a separate Mortgage and Mortgage Note for the full amount of funding provided to the Entity in the Grant Agreement. 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 during the term of the Grant Agreement and the City shall discharge such Mortgage and lien in connection therewith upon its issuance of a Certificate of Completion for the Project.

3. The term of the Grant Agreement shall commence on the date of execution and delivery of the Grant Agreement by the Entity and the City and expire upon the City's issuance of a Certificate of Completion for the Project as provided in the Grant Agreement.
4. Ascension Capital Partners I, LLC shall be responsible for the recordation of the final fully executed Grant Agreement and the related Mortgage and any amendments thereto in the Office of the Essex County Register's Office.
5. 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 Grant Agreement as permitted by New Jersey Law and may enter into access and right of entry agreements and other relevant documents related to these fund allocations in forms 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 (6) month extensions of the term set forth in the Grant Agreement and any contract timelines and milestones contained therein, 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.
6. Ascension Capital Partners I, LLC must adhere to all milestones and timelines in the Project Schedule as further set forth in the Grant Agreement. The Project must conform to the City of Newark Design and Construction Standards 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 set forth in the Grant Agreement, then the City, in its sole discretion, in addition to any other remedy available by the Grant Agreement or as allowed by law, may direct the Entity to repay all funding authorized in the Grant Agreement.
7. Ascension Capital Partners I, LLC must remain in compliance with all municipal, State and Federal laws including, but not limited to the City of Newark's Minority Set-Aside Ordinance (6S&Fd April 5, 1995) and its Affirmative Action Plan (7Rbp March 1, 1995) and Federal Executive Order 11246 (as amended by Executive Orders 1137 and 12086) with respect to the award of goods and services, as may be amended from time to time. 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.

8. Attached hereto is a certification from the Director of Finance of the City of Newark which states that (1) there are sufficient funds in the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) and (2) that the line appropriation of official budgets which shall be charged is as follows:

Business Unit	Department	Activity	Account	Budget Ref.	Amount
026	BS	N/A	3210	B2016	\$40,000.00

9. A copy of the fully executed Grant Agreement, the Mortgage Note and the recorded Mortgage must be placed on file in the Office of the City Clerk by the Deputy Mayor/Director of the Department of Economic and Housing Development.

STATEMENT

This Resolution authorizes 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 Grant Agreement with Ascension Capital Partners I, LLC, 21 Fulton Street, Newark, New Jersey 07102 for Forty Thousand Dollars and Zero Cents (\$40,000.00), in Grant Fund.